County Land, County Food:

McHenry County Local Food Assessment
Technical Report and Recommendations

October 2013

Acknowledgements

In the fall of 2011, the Agricultural Conservation Easement and Farmland Protection Commission (ACE) in McHenry County formed a Task Force of local partners to conduct a county-wide local food assessment. Openlands, a regional conservation organization, led the Task Force and produced this final report in collaboration with the Task Force partners that was completed in December 2012. The report was reviewed by the Agricultural Conservation Easement and Farmland Protection Committee of McHenry County and recommended for adoption by the Natural and Environmental Resources Committee of the McHenry County Board. On October 15, 2013 the report was adopted by the McHenry County Board.

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Many local stakeholders were interviewed and/or surveyed to contribute to the robust data collection in the assessment, and we would also like to acknowledge their contributions to the project.

7 Restaurants in McHenry County
64 Local Food Farmers who responded to the supply-side survey
247 local residents who responded to the local food consumer survey
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I. Introduction

The McHenry County Food and Farmland Assessment project aims to support the viability of the local food system and farmland protection in McHenry County to generate benefits to the local community, such as a more robust agricultural economy, environmentally sustainable land use, and greater access to fresh food. To this end, the McHenry County Agricultural Conservation Easement (ACE) and Farmland Protection Commission formed a local Task Force in August 2011. The mission of ACE is to preserve the agricultural heritage, landscape, and economy of McHenry County through a viable farmland protection program. In order to fulfill this mission, the Task Force conducted a comprehensive local food assessment within McHenry County. Openlands, a regional conservation not-for-profit organization, led the Task Force consisting of local partners including the Environmental Defenders of McHenry County, McHenry County Farm Bureau, the McHenry County Conservation District, Woodstock School District 200, local farmers, and County staff from both the planning and health departments.

Typically, a community food system assessment is a collaborative process that evaluates a broad range of food-related elements, such as land use, food production, processing, distribution, consumption, and waste, in order to improve the sustainability and viability of a local food system. The Task Force's assessment evaluated these elements in McHenry County, and also evaluated the real and perceived barriers to success. The year-long assessment process involved creating an inventory of local farmers who grow food, ordinance and policy review, a land use evaluation of suitable parcels and characteristics for food production, a review of the potential demand for local food, and public support. Identifying and protecting strategic farmland was a critical component of this assessment since a sustainable local food system requires productive farmland that is preserved for a long period of time, if not in perpetuity. At the same time, successful local food systems can provide agricultural economic viability, which then assures agricultural preservation. Other critical aspects of a successful local food system include reducing policy barriers, relationship building and education on shared issues, increasing infrastructure to support a local food system, matching supply with demand, and building local food branding and marketing.

The research has resulted in the following robust report on the current conditions of the local food system in McHenry County, as well as a set of recommended actions and policy initiatives to promote a successful local food system. A strong sustainable local food system in McHenry County will expand markets for and access to fresh locally-sourced food, thereby boosting health and wellness in the community. It will also support environmentally sustainable land use by expanding opportunities for strategic agricultural production and long-term farmland preservation.

II. Local Food Supply & Land Use Analysis

The local food supply is an integral part of a local food system. A local food system is characterized by its geographic focus based on the area where food is grown and consumed (also known as a "foodshed"). Therefore, the end-goal of sustainable local food production is to produce enough food to meet demand. But other conditions must first be met in order to make this achievable. These include farmland protection, a functioning local supply chain (packing, processing, and distribution), and favorable local government policies. These conditions contribute to the environmental, economic, and social viability of local food production.

The Task Force assessed the existing conditions of the local food supply in McHenry County by: (1) creating an inventory of local food producers, (2) evaluating the local supply chain, (3) conducting an agricultural land use assessment, and (4) producing a land use evaluation map. This information is intended to advance the understanding of current and changing dynamics of agricultural land use in the County so that strategic recommendations for expanding the local food supply through farmland protection and increased local food production in McHenry County can be made and evaluated.

Before presenting methods, data, and results, it is first important to reflect on the history of agriculture in McHenry County in order to assess agricultural land use patterns, and to appreciate how we got to where we are today.

History of Agriculture in McHenry County

The development patterns of the area, influenced by population growth and market trends, have historically impacted agriculture and farmland in McHenry County. McHenry County was established in 1836 and initially also encompassed present- day Lake County. At that point in time, land was sold for $1.25 an acre.[1] In 1839, Lake County became its own County and the McHenry County that we know today was formed. Historically, McHenry County's rural, agricultural landscape was also its main economic engine. Until the beginning of the Civil War, subsistence farming was the main agricultural practice in the area. Once refrigeration became widespread, McHenry County then developed into a major dairy hub until World War II.[2]

Land use planning in McHenry County shifted direction in the post-war era when its County population became one of the fastest growing in the state. While agriculture was still dominant in the County, land use had shifted toward suburban development in order to accommodate

[1] United States Department of Agriculture, Natural Resources Conservation Service. (1997). *Soil Survey of McHenry County, Illinois: Part I*.

[2] *Id.*

population growth. Baby boomers grew up in new developments that followed the growing highway system. Today, development is centralized around the Fox River in the east and south-east regions of the County.[3] For decades after 1950, the number of farms in the County continued to decline, as well as total farmland acreage in the area.[4] Service and manufacturing are presently the County's top grossing industries, whereas agriculture is now tenth. [5]

Agriculture Today in McHenry County

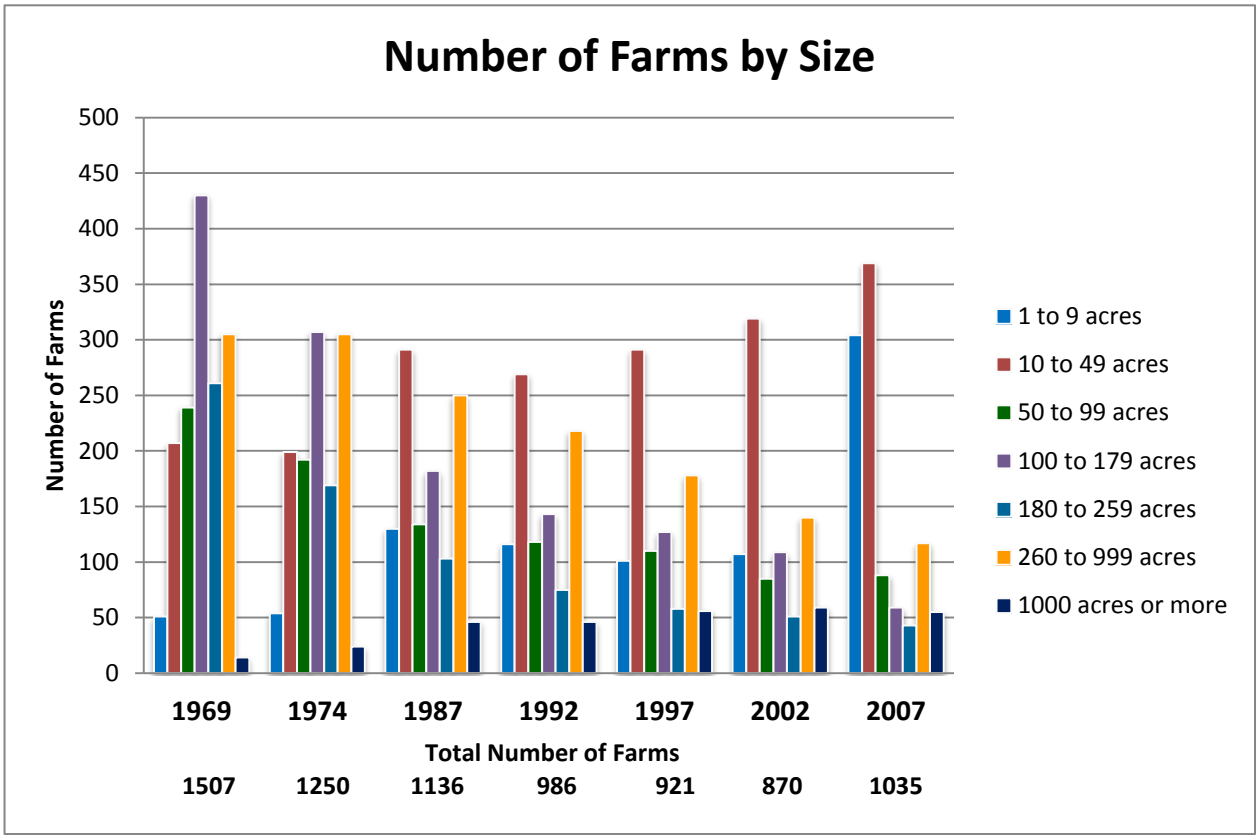
Agricultural land use trends in McHenry County have changed over time partly influenced by zoning requirements, Farm Bill incentives, market demands, and farmland tenure and succession issues. The majority of agricultural land in the County is used for commodity crops; whereas, there is a fraction of that amount in fresh vegetable and fruit production. According to McHenry County Farm Bureau, there is a total of 215,584 acres in the County devoted to agriculture use, of which only 1,896 acres are used for vegetable production. This amount of acreage in vegetable production is not necessarily dedicated to raising fresh food. According to McHenry County Farm Bureau, there are 13 farms with certified organically produced commodities. [6] There are additionally 145 acres of organically grown, but not certified farms and an additional 57 acres converting to organic production. Even though the amount of land dedicated to the sustainable production of fresh food is a small fraction of the total farmland in McHenry County, its capacity to meet the County's demand for local food is greater than expected; based on a recent study released by Iowa University, every 1,000 residents in Illinois only required 1.4 acres of fresh fruit and vegetable production to satisfy demand in 2007.[7] As local food demand has grown over the past few years, the goal to match supply with demand still seems achievable given McHenry County's existing farmland and other opportunity areas as identified by the land suitability analysis in the report.

According to historical data from the United States Department of Agriculture Census of Agriculture, many midsize farms in McHenry County have either consolidated into larger farms or have broken into many smaller farms, since 1969. The number of small farms (10-49 acres) has increased dramatically, while the number of mid-sized farms (50-179 acres) has decreased at an equally staggering rate. The number of large farms (180-999 acres) has steadily declined

[3] US Environmental Protection Agency and Chicago Metropolitan Agency for Planning
[4] *Id.*
[5] McHenry County Economic Development Corporation, IMPLAN 2010.
[6] Ag Food and Fiber Sector Data, Dun & Bradstreet Corporation; and, Census of Agriculture Data
[7] Swenson, David. (2010). Selected Measures of the Economic Values of Increased Fruit and Vegetable Production and Consumption in the Upper Midwest. Research Department of Economics, Iowa State University, Ames: Leopold Center for Sustainable Agriculture.

over the years, while the number of mega-size farms (1000 acres and more) has grown to occupy approximately 57% of the agricultural land in McHenry County. [8]

This trend is also demonstrated by the most recent data available from the 2007 Agricultural Census which indicates that while farm acreage is decreasing throughout the County (by 8% in a 5 year period between 2002 and 2007), the number of small-sized farms is increasing. As of 2007, there were reported to be 1,035 farms in McHenry County, which marked a 19% increase from the number of farms in 2002. The average size farm in McHenry County was 208 acres in 2007, which signaled a 22% decrease in average farm size since 2002. As of 2007, 65% of farms in McHenry County were less than 50 acres and 29% were less than 10 acres, exemplifying the growth of smaller farms.[9] Overall, these data points from 2007 show the trend of smaller-sized farms in the County. [10] Small farms in McHenry County typically produce vegetables as opposed to commodity crops.



[8] United States Department of Agriculture. (2009). *2007 Census of Agriculture*.
[9] *Id.*
[10] Data taken from Taskforce producer survey.

A majority of the farms -78%- are less than 180 acres in size.[11] In fact, a substantial percentage of them are less than 10 acres. These small to mid-sized farms have the potential of making the greatest contribution to local food production. The smaller farms are better suited for food production because of the large amount of hands on labor needed to produce fruits and vegetables. The mid-sized farms can potentially provide larger volumes of products and thus reach a larger market such as grocery stores and institutions. Both small and mid-sized farms require access to water resources and built infrastructure like seasonal extension facilities and refrigeration to operate efficiently. Given average annual precipitation, rainwater is a precious water resource that is vital to farming in McHenry County. However, in light of drought conditions experienced in 2012, this resource cannot be taken for granted and irrigation will likely become a more salient issue in the County in the future.

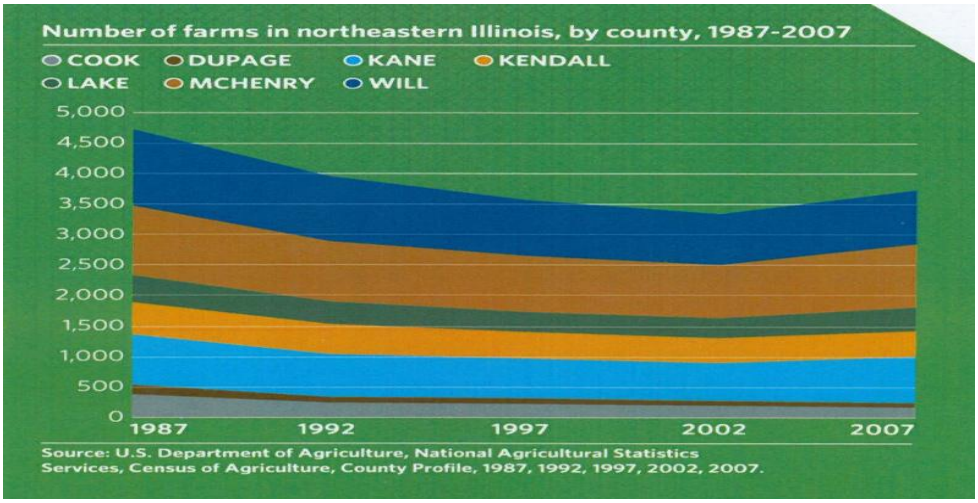
However, there also appears to be a more recent concurrent trend of increased consolidation of small family farms in the County, which follows one of the national trends of increased concentration of production on large size farms. Farm owners are consolidating farmland either through leasing arrangements, whereby they are renting adjacent parcels, or through land acquisition of multiple parcels under a single land ownership. One explanation for this trend is that the size of farming equipment is getting larger so farmland consolidation, including the removal of land barriers like hedge rows, better facilitates farming operations and increases efficiency. Most of these consolidated farms are commodity farms. The downturn in the economy has also increased the amount of land farmed. Previously platted, but unbuilt, subdivision land is being farmed for the value of the commodities that can be harvested from this land.

While farms that are more than 180 acres make up only 22% of the total number of farms, they occupy approximately 90% of the agricultural land in McHenry County. [12] These large and mega-sized farms require large lots with an unobstructed landscape of very little slope, and no physical features. These are the farms that create wide open views many residents desire.

Analyzing national data on farmland and farm size trends also lends perspective to McHenry County's agricultural land use patterns. The United States Department of Agriculture's (USDA) 2007 Agricultural Census indicates that there are 2,204,792 farms in the United States, with the average new farm size being 201 acres.[13] This illustrates that there has been a rise in smaller-

[11] United States Department of Agriculture. (2009). *2007 Census of Agriculture*.
[12] United States Department of Agriculture. (2009). *2007 Census of Agriculture*.
[13] This "average" size farm appears to be large, and may not be an accurate representation as averaging may obscure data on farm size trends due to the majority of agricultural production being on large farms. "2007 Census of Agriculture: Small Farms," U.S. Department of Agriculture (2007).

sized farms throughout the United States.[14] However, other research suggests different farmland trends of changing size distribution over time. A statistical analysis drawn from the USDA's Economic Research Service (ERS) demonstrates that different farmland concentration measures —average, median, and acre-weighted median— indicate differing trends in farmland.[15] While the average measure shows an increasing number of small farms in the country, the acre-weighted median measure (the acreage at which half of all farmland is on farms smaller than the median number, and half is on bigger farms) shows an increasing concentration of production on large farms.[16] Based on the difficulty of capturing national farmland trends using common measures, it is also difficult to precisely assess farm size trends in McHenry County.



Inventory of Local Food Producers

The first assignment for the Task Force was to create a comprehensive inventory of local food producers in McHenry County. As the primary focus was to assess the availability of local food, only local farmers growing or selling food products were included in the initial inventory (i.e. nurseries and tree farms that do not sell any local food were not included in the inventory). The inventory identified 74 local food producers through online resources such as the Local Harvest database, business directories, and farmers' market guides, as well as through Task Force member identification. The producers were then contacted via phone or email and asked to participate in a survey. The survey collected information including farm size, products grown,

[14] In 2007, there were 18,467 more small farms counted than in 2002. The USDA defines small farms as farms with $250,000 or less in sales of agricultural commodities. "2007 Census of Agriculture: Small Farms," U.S. Department of Agriculture (2007).

[15] Key, Nigel & Roberts, Michael (2007). Measures of Trends in Farm Size Tell Differing Stories. *Amber Waves, 5*(5), 36-37 accessed from www.ers.usda.gov/data/croplandconcentration/

[16] *Id.*

and where and how the products were sold. Among the 74 identified local food producers, 64 chose to participate in the survey, while 7 were not able to be reached and 3 producers declined. The 64 (nearly 86%) of producers who completed the survey comprise a large, representative data set of the identified local food producers in McHenry County. The information collected regarding business operations consisted of contact information, variety of produce, type of facility, hours of operation, number of employees, certifications and testing, and total acreage. The survey also helped to determine if farmers had experienced any barriers to expanding their business. In some cases, barriers were identified as perceived or actual inconsistent regulations, financial difficulties, or lack of training and resources. The survey also aimed to determine the farmers' future plans. Farmers identified concerns for the future, such as being in danger of losing their land, succession (retiring without anyone to take over), or the farmer maintaining his/her business and not expanding. Lastly, due to the limited availability of processing and distribution facilities for locally produced food in McHenry County, there is a less extensive analysis of these aspects of the system.

Farmers (Specialty Crop Growers)

There is a variety of local food grown in McHenry County. While most local farmers grow fruits and vegetables, others produce meat, honey, and dairy.[17] There is also a variety in the type of facilities that local farms utilize, including indoor facilities, outdoor facilities, hoop houses, farmstands, and "you-picks."[18] Although many people think of agriculture in the Midwest as a seasonal business, almost 40% of respondents answered that they operate year round. To be clear, this number refers to off seasonal preparation for the spring growing season. These businesses are not open to the public during the winter. Of those producers that are seasonal, the seasons range from April to December. The years of operation for each producer also included a wide range. The majority of producers (22%) have been in operation for less than ten years, while 17% of the respondents have been in operation for more than thirty years.

Based on survey input, the amount of food produced annually from each farm varies from one hundred pounds to five tons. These numbers seem lower than would be expected given a known range of yearly vegetable production per acre. For instance, in a year, an acre could

[17] When asked on the producer survey what type of food they produce, 43 respondents answered vegetables, 33 respondents answered fruits, 15 respondents answered meat, 13 respondents answered honey, and 9 respondents answered dairy.

[18] When asked on the producer survey what type of facilities the producers use, 29 respondents answered outdoor facilities, 23 respondents answered indoor facilities, 18 respondents answered farmstands, 9 respondents answered you-picks, and 8 respondents answered hoop houses.

produce 100 pounds of herbs, three tons of apples, or four tons of berries, with some variability depending on the types of the fruit and vegetables and weather conditions. Currently in McHenry County, there are more acres owned than in production. The survey indicated that there are 5,066 total acres owned by the producers, but only 1,918 acres are in production. Some of the remaining 3,148 acres are likely rented for non-local food uses, such as commodity farming. This arrangement generates additional income for small-scale local food producers to off-set some of their farm infrastructure costs and make their businesses more viable.

This unfarmed land is also attributed to wetlands and buffer acres that are not farmed. Many of these are in conservation programs as noted by the land use evaluation map. Nonetheless, it is apparent that specialty growers are farming smaller plots of land, which is aligned with USDA trends; 35 percent of McHenry County local food producers produce their food on 1 to 15 acres of farmland. This statistic is testament towards the trend of smaller farms. The majority of producers own their farmland, either through an outright purchase of the land or through the land being passed down by family. Only 12.5 percent (9 total) of survey respondents rent their land.

Furthermore, in an attempt to assess the sustainable farming practices of local food producers, the survey asked about the type of practices used on each farm. None of the survey respondents indicated that they are Good Agricultural Practices (GAP) certified. GAP certification, which is a third-party audit to verify safe food production and handling practices on the farm, is a way to assure consumers that producers are minimizing food safety hazards and using generally good and sustainable agricultural practices to grow their produce. For instance, preventing the contamination of fresh farm produce, such as by using sustainable farming practices and limiting chemical applications, is critical to producing wholesome, healthy products. The GAP program helps farmers develop and implement farm food safety plans that make them eligible for GAP certification so their products are more marketable. While GAP certification may increase consumer demand, it can be costly to implement the prescribed food safety practices that are required for certification, which appears to deter many producers from pursuing the certification.[19]

Even without GAP certification, many surveyed local food producers use best practices for soil and nutrient management; for instance, 36% of the producers have engaged in soil testing, including nutrient and disease testing. Two respondents indicated that they had USDA Organic certification. Because USDA Organic certification is a time-consuming and costly process, many producers choose not to pursue the certification but still use organic practices. Fifteen percent

[19] Rejesus, Roderick. (n.d.) Good Agricultural Practices – GAP Certification: Is it Worth it?. North Carolina Cooperative Extension.

of the respondents answered that they are not USDA Organic certified, but still use organic practices.

Local supply chain analysis

Small to mid-sized farms are better suited in locations that have a close proximity to population centers where markets, distribution centers, commercial kitchens, and processing facilities may be located. Short distances to markets are needed to help avoid the cost associated with the distribution. The local food market window is seasonal and many products have a short shelf-life. To combat these challenges farmers need cold storage, transportation , value-added processing centers, facilities for grading, aggregation and packaging, commercial kitchens, dairy processing facilities, and grain milling in order to get their produced food to consumers year-round.

Processing

There are nearly 300 processors within a three hour radius of McHenry County. Processors can be an additional market outlet for regionally grown fruits and vegetables and other agriculture food raw goods.[20] However, there are many fewer in the County, including a lack of meat and poultry facilities, which is inconvenient. In some cases, there are also interstate regulatory issues.

County Currently, there are no poultry processing facilities in McHenry County, but there are poultry processing facilities in the state, including: 2000plus Groups, Inc in Oakbrook, Central IL Poultry Processing in Arthur, Chicago Live Poultry in Chicago, Phillip Gillon in Kirkwood, and Quantum Foods 213-D in Bolingbrook. If there were poultry processing plants in McHenry County, this would increase accessibility and convenience for local food producers to process and sell their poultry products.

There are three livestock slaughtering and meat processing facilities in the McHenry County area, including Jones Packing Company in Harvard, Pork King Packing, Inc. in Marengo, and Freise Country Market in Union. Jones Packing Company does slaughtering and meat packing and Pork King offers commercial and small-scale processing services. Freise Country Market offers butchering services for fresh meats, including pork, beef, and homemade sausages. Jones Locker Service, Inc. in Woodstock does not do slaughtering but does offer deer processing services for private individuals, such as hunters. In addition, there are meat processing plants close by in southeastern Wisconsin, but due to federal interstate commerce laws, there are deterrents to using these facilities if producers want to sell their meat products locally in

[20] Illinois Farm Bureau, IRC Department, 2012 (SIC)

McHenry County. Please see the Policy Section for further information on federal distribution restrictions on meat and poultry products and how it directly affects McHenry County meat and poultry producers.

Meat and poultry that is processed in a state-inspected facility, as opposed to federally inspected facility, are restricted from sale across state lines. Other state-inspected commodities, including milk, dairy products, fruit, vegetables, fish, shellfish, and canned food products, are permitted to be sold without restrictions across state-lines. Therefore, processing facilities that process and package non-meat products are not subject to the same interstate commerce laws as meat, allowing smaller farm establishments in McHenry County to more feasibly process their food products by increasing transportation efficiency and affordability. While farmers' markets are a growing market for small producers who sell unaltered fruit and vegetable products, increasing the availability of food processing facilities can broaden market opportunities, such as sales of value-added products in McHenry County and throughout Illinois.

Distribution

Approximately 30% of surveyed McHenry County producers responded that they sell their produce through an array of distribution avenues, including farmers' markets, restaurants, and grocery stores. Of these producers, 15% have restaurant clients and 7% have grocery clients. Farmers' markets are popular venues for farmers to market and distribute their produce. At farmers' markets, vendors set up booths and sell their local produce directly to consumers. There are currently five farmers' markets in McHenry County. The survey indicated that five respondents sell at more than one farmers' market.

Community Supported Agriculture (CSA) programs are also a popular distribution avenue for local food producers. Small farms that grow fruits and vegetables, in McHenry County and throughout the country rely on direct-to-consumer marketing, such as through farmers' markets or Community Supported Agriculture (CSA) programs to maintain and expand their business. CSA is a business model whereby farmers collect payment for pre-ordered local produce. People who invest in a share of a CSA receive weekly or bi-monthly deliveries of local food produced on that farm. CSAs are increasing in popularity throughout the country, with 12,549 CSAs counted in 2007. Twenty-one percent of McHenry County local food producer survey respondents operate a CSA program, and one farm has a total of 125 families participating in the CSA. This indicates both the high level of demand for local food as well as the profitability potential of CSAs for farmers.

In addition to selling to local residents in the County, many producers also rely on regional markets outside McHenry County to sell their produce and increase their economic returns;

about half of the producers who completed the survey sell their produce outside of McHenry County. In order to reach outside destinations, the producers transport their goods on their personal vehicles; however, a large number of producers have buyers come to the farm to pick up the produce.

Producers in McHenry County engage in an array of business practices, including a variety of marketing and networking techniques to promote their businesses. The main avenue for marketing their goods is directly to the consumer through word of mouth. This statistic is aligned with national data, which illustrates that direct-to-consumer marketing is growing. "Direct-to-consumer marketing amounted to $1.2 billion in current dollar sales in 2007, compared with $551 million in 1997."[21] However, many producers also use websites (such as Facebook), signs, and newspapers to advertise their produce. While creating and establishing connections with consumers is vital to the producer's business, so is establishing connections with other producers. About 30% of producers in McHenry County network and share resources with other farmers. These farmers share ideas, give advice, and loan equipment to surrounding farms or farmers throughout the country.

Agricultural Land Use Analysis

The Task Force conducted a land use assessment to evaluate the existing conditions of agricultural land use in the County. Prime soil conditions, land with County zoning allowing agricultural use, location of conservation open space or easements, surrounding land uses, demographic trends, and land protection measures were studied. The McHenry County's 2030 Comprehensive Plan was evaluated as a framework for the assessment and used as a platform to formulate the Task Force's land use recommendations. The existing conditions findings were also built into data layers for a land use evaluation map. Given the agricultural assets of the County, namely prime farmland soil, the land use assessment and companion map will allow McHenry County to promote sustainable farmland protection and potentially identify criteria for land protection for local food production in the County boundaries. Further, information about the County's acreage in local food production paired with the estimation of local food demand from survey data will be used to guide future agricultural land use scenarios.

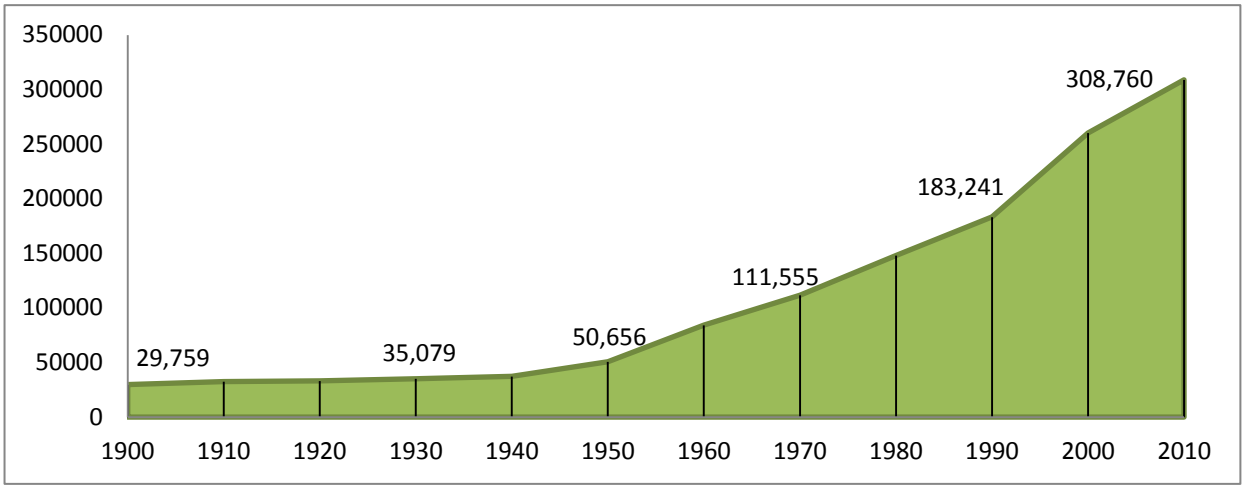
Demographic analysis: Rising Population

McHenry County's demographics are an important factor when assessing land use patterns in order to protect existing farmland and strategically identify parcels for future land use production. Since 1990, McHenry County's population has grown by approximately 70%, from

[21] *Id.*

183,241 to 308,760 in 2010.[22] By 2030, the population is expected to increase to 495,000, which corresponds to an annual average growth rate of 2.0%.[23] The development required to accommodate this significant population growth will place development pressures on land that is currently in agricultural production, making it harder for farmers to afford and access productive land. As the population of McHenry County continues to grow, there is a need to consider future land use planning and strategically protect the County's prime farmland.

McHenry County's Population Growth



Source: US Census Data

The McHenry County 2030 Comprehensive Plan: a framework for agricultural land protection

McHenry County has some of the finest and richest farmland in the world. However, the McHenry County 2030 Comprehensive Plan projects that farmland within the County will decrease 15% (approximately 46,000 acres / 71 sq. miles / the equivalent of 2 townships) over the next 20 years. While development pressures have slowed due to the housing crisis, McHenry County farms are still at risk.

As the Chicago region continues to grow and McHenry County welcomes more and more families into its beautiful setting, it is vital to the health of the community that agricultural fields, and the fertile lands they occupy, remain in production as long as feasibly possible. Once agricultural land has been developed to accommodate other uses, it cannot be restored. Without a plan in place to prevent the conversion of economically viable farmland to other uses, the County risks losing these irreplaceable natural and cultural assets forever. (2030 Plan, page 30)

[22] United States Census Bureau. (2010). *2010 Census.*
[23] McHenry County 2030 Comprehensive Plan (2010)

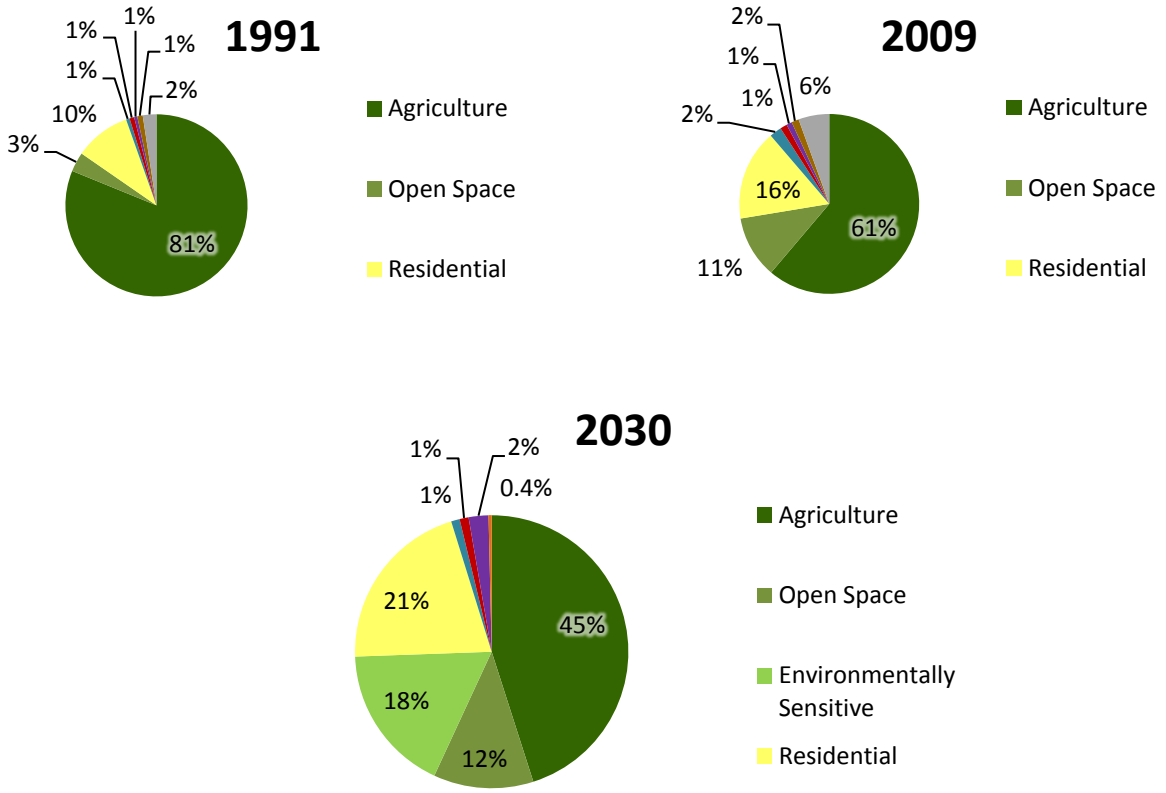
Preservation of the County's farmland comes with many public benefits such as food production, flood control, enhanced protection of wetlands and watersheds, groundwater recharge, open space, recreational and educational opportunities, and the foundation of a vital rural economy. This proactive land use planning reflects the goals and objectives of the McHenry County 2030 Comprehensive Plan.

- Goal: To preserve the most productive farmland as a source for viable agriculture activities that will enhance the County's economy and contribute to its rural character.
- Objective: Support enactment of state and County programs that provide incentives and support land owners who choose farming as a way of life, such as the purchase and transfer of development rights.
- Objective: Maintain and protect the most productive agricultural lands, where appropriate, by discouraging nonagricultural growth in these areas. (page 29)

Between 1991 and 2009, the amount of agricultural land in the County decreased by 20%: eight percent was turned into non-agricultural open space, six percent to residential uses, four percent became vacant, and one percent was converted to earth extraction and government and institutional uses, including public utilities.[24] By comparison, the 2030 Comprehensive Plan projects that the percentage of farmland acreage that will be lost during the next 20 years will be less than was lost in the 1991-2009 period.

For the previous two decades, there has been an environmentally sensitive designation on the County's land use map to indicate land that was in a 100 year floodplain, as defined by the Federal Emergency Management Agency. In the 2030 Comprehensive Plan, there is a new usage of "Environmentally Sensitive Areas" related to the County's Green Infrastructure Plan. In 2012, McHenry County adopted the Green Infrastructure Plan, which maps the location of these Environmentally Sensitive Areas in more detail. This land designation is proposed to encompass 18% of the County.[25] Many of the Environmentally Sensitive Areas consist of land that is currently designated as agricultural, but may or may not be actively farmed, such as wetlands, oak groves, and buffers around rivers and streams.[26] The Green Infrastructure Plan also addresses the importance of preserving farmland and how it can serve as wildlife habitat and provide for groundwater recharge.

[24] *Id.*
[25] *Id.*
[26] McHenry County Green Infrastructure Plan (2012)



Source: 1991 Data, McHenry County Land Use Plan Year 2010 Update, Adopted by County Board 10/20/93; 2009 & 2030 Data, McHenry County 2030 Comprehensive Plan, Adopted by County Board 4/20/10

Land is a Limited Resource: The Importance of Protection Mechanisms

Zoning is an important tool for protecting farmland, but additional tools are required for areas with strong development potential. Agricultural conservation easements by donation or through the purchase or transfer of development rights are some of the most useful tools for preserving farmland. The County currently does not have the funding to purchase development rights, even though there is a County farmland protection commission that has already prepared qualifying criteria for the process. The Agricultural Conservation Easement and Farmland Protection Commission (ACE) was established in 2006 for the purpose of preserving the agricultural resources, water resources, and natural beauty of McHenry County. The commission has sought support for state legislation that would allow counties to hold referendums requesting funds to purchase development rights. Federal matching funds through the Federal Farm and Ranchlands Protection Program are available if the County has a funding source.

ACE is now researching additional fundraising opportunities and funding sources. In the meantime, the Commission is exploring other ways to promote agricultural preservation, primarily by creating the Task Force as vehicle for local food experts to conduct the Local Food and Farmland Assessment to investigate the link between local food and local farmland. The commission has also produced marketing brochures, established partnerships with various non-for-profit organizations throughout the County, drafted a strategic plan for the commission, and hosted a joint commission meeting with the Agricultural Conservation and Farmland Protection commissions from surrounding counties.

The Farmland Protection Policy Act (FPPA) and The Land Evaluation and Site Assessment (LESA) system

The Farmland Protection Policy Act (FPPA) was passed by Congress with the intent to minimize the impact federal programs have on the unnecessary and irreversible conversion of farmland to nonagricultural uses.[27] The Land Evaluation and Site Assessment (LESA) system was a tool conceived to implement the FPPA and helps state and local officials make sound and unbiased decisions about land use changes from agricultural land. In 1981, McHenry County was selected as one of twelve counties nationwide to participate in the formulation of LESA in conjunction with USDA Soil Conservation Service (now the USDA Natural Resources Conservation Service). The system ultimately formulated was chosen as the model for use by counties throughout the United States in evaluating requests for land use and zoning changes and their affect on agricultural lands.

As the name implies, the LESA system is comprised of two parts: a Land Evaluation and a Site Assessment. The Land Evaluation (LE) encompasses information regarding soils found on the site and their suitability for agricultural purposes. The Site Assessment (SA) evaluates the parcel based on the quality of the site for agricultural uses utilizing different factors. The SA factors were determined based upon McHenry County's own zoning ordinance, comprehensive land use plan, and the stormwater ordinance.

The Soil Survey of McHenry County, Illinois soil legend shows 73 different soil series ranging from gravely loams to wet muck soils, and from highly productive agricultural soils to high-quality gravel deposits. Two main factors were used in the development of McHenry County's LE: the Land Capability Classification system and the soil productivity index.[28] Soil productivity

[27] Agriculture and Food Act of 1981, Public Law 97-98, containing the Farmland Protection Policy Act (FPPA) subtitle I of Title XV, Section 1539-1549. The final rules and regulations were published in the Federal Register on June 17, 1994.

[28] Soils are rated for agricultural capability and are placed into one of eight groups from Class 1 to Class 8, with Class 1 being the very best for agricultural use with few limitations.

was utilized rather than prime farmland soils due to the fact that some non-prime soils (but still soils of statewide importance) are more productive than some prime farmland soils.

For purposes of the Land Evaluation portion of the LESA system, each soil is assigned a relative value number from 0 to 100, 0 being the worst soil for crop production, and100 the best. Parcels containing higher percentages of higher-valued soils will rate higher on the overall LESA score, while those containing higher percentages of lower-valued soils will rate lower in the overall LESA score.

Soils and Water

Top Soils

A quick look at the Soil Survey of McHenry County, Illinois shows most of the County's soil is classified as "prime farmland" with very high levels of productivity as compared to other types of soil. That means McHenry County has some of the best agricultural soil in the world. The national definition of "prime farmland soil" includes land that has the best combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops, and that is available for these uses. It has the combination of soil properties, growing season, and moisture supply needed to produce high yields of crops in an economically viable manner if it is treated and managed according to sustainable farming methods. In general, prime farmland has an adequate and dependable water supply from precipitation or irrigation, a favorable temperature and growing season, an acceptable level of acidity or alkalinity, an acceptable content of salt or sodium, and few or no rocks. Its soils are permeable to water and air. Prime farmland is not excessively eroded or saturated with water for long periods of time, and it either does not flood frequently during the growing season or is protected from flooding due to its permeable quality.[29]

Sustainable agricultural practices necessitate proper care for our "prime" soil as a part of our overall environment. One would need to implement a comprehensive conservation plan addressing all the components of soil, water, air, plants, and animals. That means one would need to protect soil from all forms of soil erosion (sheet, rill, ephemeral, and gully), improve or increase organic matter (minimum tillage, no-tillage, or mulch), protect the soil from rain runoff (grassed waterways, terraces), protect our surface and groundwater resources (nutrient management, waste utilization, filter strips, field borders, integrated pest management) and allow for suitable habitat for wildlife.

[29] General Manual, Title 440, Part 519.32

Ground Water

The assessment also took into account the County's groundwater levels and recharge areas. All of the County's drinking water supply comes from deep and shallow groundwater aquifers. Since 1940, McHenry County has experienced the fastest growth in Illinois, so it is of great importance that this water supply is protected. It is of great concern to the County that scientific research and findings show the County's shallow aquifers are vulnerable to contamination and that contamination has already occurred in places.[30] Therefore, sustainable local food production in the County must be concert with sound land and water resources protection.

The McHenry County Groundwater Protection Program (GPP) Task Force emerged in 2007 with the goal to develop a comprehensive program and plan to protect the County's groundwater resources. The findings and reports by the GPP are an important aspect for the purposes of the local food land use analysis. The GPP Task Force developed the McHenry County Sensitive Aquifer Recharge Map (SARA), with input from the Illinois State Geological Survey (ISGS) and the Illinois State Water Survey (ISWS). It was published 2008 and is an important outcome of the GPP.

McHenry County developed the Sensitive Aquifer Recharge Map (SARA) for the County groundwater protection program from several sources. The primary source was, "Circular 559: Geologic Mapping for Environmental Planning, McHenry County, Illinois" that was developed by the Illinois State Geological Survey (ISGS) and the Illinois State Water Survey (ISWS) with assistance from McHenry County. [31] This document identified existing conditions, e.g. 70% of the County has aquifers within 100 feet of the surface that are vulnerable to contamination, and that contamination has already occurred.[32] These findings were the bases for strong recommendations for creating groundwater protection measures.

Circular 559 identified specific environmental applications and evaluations for the book, including locating and protecting groundwater resources. Also, Circular 559 identified five mapping units: "Aquifer Sensitivity Map Units", Map Unit A – High potential for aquifer contamination, Map Unit B – Moderately High potential for aquifer contamination, Map Unit C – Moderate potential for aquifer contamination, Map Unit D – Moderately Low potential for aquifer contamination and Map Unit E - Low potential for aquifer contamination. The groundwater protection working group of the County groundwater protection program decided to use circular 559's Aquifer Sensitivity Map Units A and B, (high potential for aquifer

[30] Circular 559: Geographic Mapping for Environmental Planning, McHenry County, Illinois
[31] *Id.*
[32] *Id.*

contamination and moderately high potential for aquifer contamination respectively) as a start for the SARA map. Aquifer Sensitivity Map Units A and B covered approximately 70% of the County.

In presenting this to ISWS and ISGS, they recommended the County could remove soils that are on steep slopes, soils that have restricted permeability and hydric soils that are groundwater discharge from Aquifer Sensitivity Map Units A and B. The working group used Table 6, "Main cropland limitations and hazards," which includes soils with excessive erosion potential (steep slopes) and soils with restricted permeability found in the Soil Survey for McHenry County of 2000. Further, USDA soil scientists had created a document on groundwater recharge hydric soils, groundwater flow through hydric soils and groundwater discharge hydric soils for use in wetland restoration. It is clear the criteria for wetland restoration would be different depending on if the hydric soil was recharge or discharge or flow through. This determination is very complex with topography being the main deciding factor but there were several hydric soils that were beyond a doubt groundwater discharge due to typical landscape position and carbonates at the soil surface. Only those few hydric soils were used and eliminated from Aquifer Sensitivity Map Units A and B.

These reports are critical to guiding existing and future land use for farming and local food production in McHenry County. Further, sustainable farming practices, such as carefully applying chemicals, following the chemical label exactly, and applying integrated pest management prior to using chemicals, are important ways to reduce potential groundwater contamination.

Land Use Evaluation Map

One of the main objectives of the land use assessment was to create a map of the existing agricultural conditions in McHenry County that can guide sustainable local food production and farmland protection in the County. This would be paired with analysis about the estimated demand for local food and existing supply. The map includes various data layers, including the location of high quality soils, protected farmland, and protected open space and conservation and agricultural easements. The development of the map began with staff from the McHenry County Department of Planning and Development, Lake-McHenry Soil and Water Conservation District, and Task Force members generating a list of priorities and elements that they wanted to include in the map, which was further developed through an iterative process. For instance, the boundary of the Hackmatack National Wildlife Refuge, located in the bi-state area of McHenry County and Walworth County, Wisconsin was also added once it was formally authorized in August 2012 by the United States Department of the Interior. Hackmatack was officially established as a National Wildlife Refuge in November 2012 once the U.S. Fish and

Wildlife Service acquired an easement within the boundary area. Approximately 8,000 acres of the land included in Hackmatack boundary has already been preserved by the McHenry County Conservation District (MCCD) who will be stewarding and managing the U.S. Fish and Wildlife's easement.

The map's base layer delineates the Land Evaluation (LE) scores of the soils, the in the County zoning districts that allow agricultural uses such as A1, A2, E5, E3, E2, and E1. [33]This explains why much of the southeast on the map is white as much of the zoning does not allow agricultural use; however, there are some small plots in the southeast area where zoning does allow it. Overlaid on the map are many of the protected lands in McHenry County; these include McHenry County Conservation District properties, Illinois Department of Natural Resource's land, properties The Land Conservancy of McHenry County holds in conservation easements and agricultural conservation easements, as well as municipal parks. Lands that are in the Illinois Agriculture Areas program are also outlined on the map. McHenry County has approximately 20,000 acres within agricultural areas originally designated between 1981 and 1991.[34]

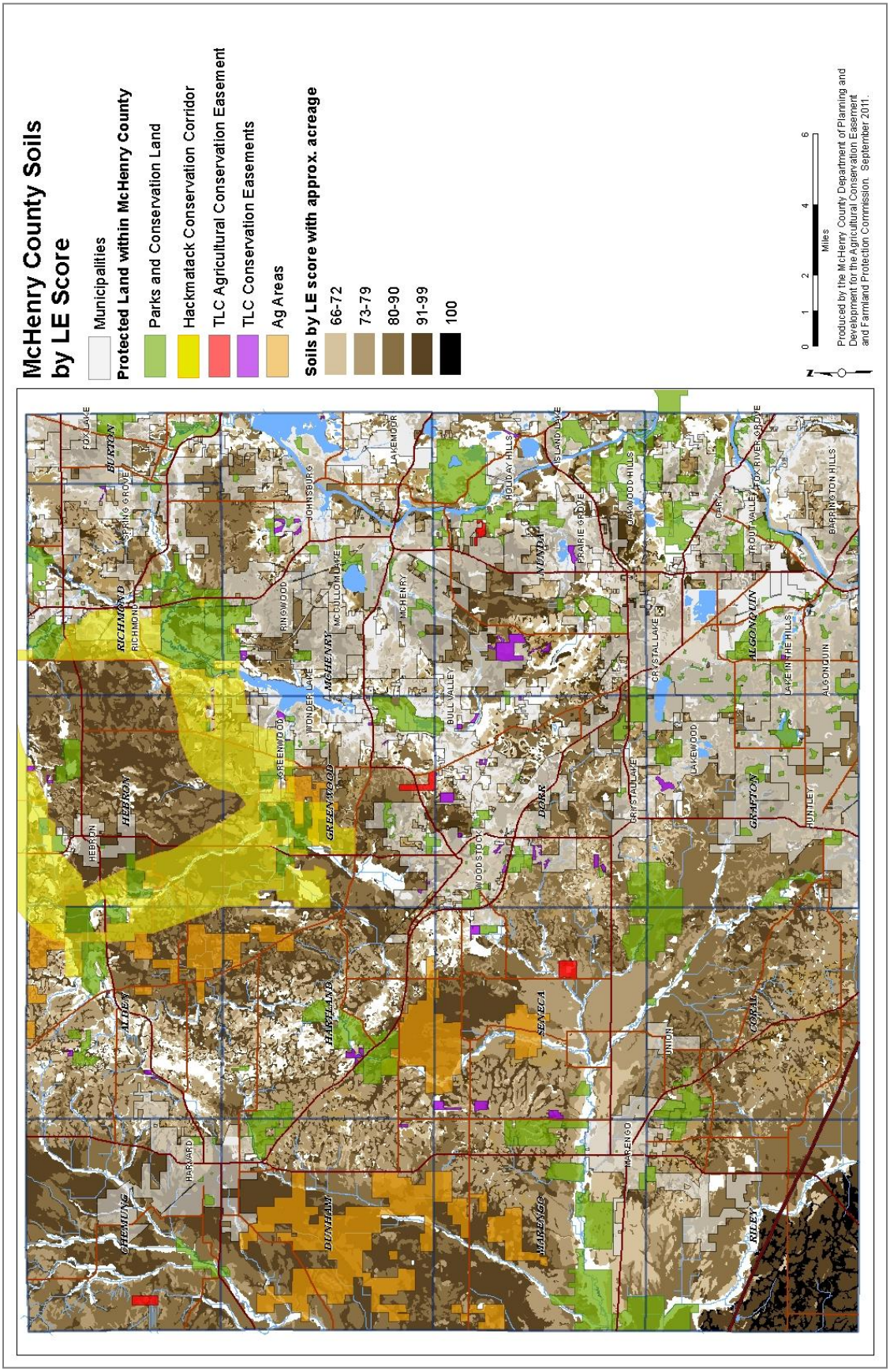
Agricultural Areas (Ag Areas) can be established through local action under the authority found in the Agricultural Areas Conservation and Protection Act passed by the Illinois General Assembly in 1980. They offer one means of helping to protect farmland for farming purposes. While the Ag Area designation is not an absolute solution in and of itself, it is another tool that may be used by landowners. It allows farmers to make a statement that this is a farming area and will stay that way. Those formed prior to a need allow protection from urban noise/nuisance complaints, municipal annexation, potential urban easements such as new sewer lines or new road right of ways. Once established, the Ag Area remains in place for 10 years; with subsequent extensions of the designation lasting an additional 8 years each. Provisions are in place to allow individual parcels of property to be removed from, or added to, the area within those periods of time. Both the landowners and local government officials will have to agree on those changes making Ag Areas truly a joint effort by the public and private sectors.

Local food production requires quality soil and relatively flat topography. But, the growing of produce is only one way of providing local food; raising livestock is another option. Farmers have domesticated fowl, ovine, caprine, bovine, or porcine to harvest their meat, milk, and eggs for thousands of years. Raising livestock does not require the same type of demands on the

[33] The relative values of the top five groups of Land Evaluation scores are 100 to 92, 91 to 81, 80 to 74, 73 to 67, and 66 to 57.

[34] State of Illinois Department of Agriculture, Division of Natural Resources. (2011). *Agriculture Areas Annual Report 2011,* In accordance with the Agricultural Areas Conservation and Protection Act (505 ILCS 5/1 et seq.)

land as crops. Raising farm animals can be seen as an alternative on lands that are not appropriate for crop production. High quality soils are still important for livestock pasture as it is for cropland, but physical features like groves of trees, lakes, and slopes can be beneficial to a livestock herd whereas it is an obstruction to larger and mega-sized farming. Moreover, pasture for beef or dairy related production should use rotational grazing in order to protect land health and promote the highest nutritional value of grass, which is diminished when animals roam freely over pasture. Another type of farming activity, apiculture, the maintenance of bee colonies for the use of honey, can also be beneficial for pollinating crops and can be incorporated into farms of any size. Therefore, the assessment mainly addresses suitable land for the raising of food crops because they have less impact on natural resources, but the Task Force also endorses rotational grazing as well as apiculture where it is a compatible land use.


McHenry County Soils
by LE Score
Municipalities
Protected Land within McHenry County
Parks and Conservation Land
Hackmatack Conservation Corridor
TLC Agricultural Conservation Easement
TLC Conservation Easements
Ag Areas
Soils by LE score with approx. acreage
66-72
73-79
80-90
91-99
100
0 1 2 4 6
Miles
Produced by the McHenry County Department of Planning and Development for the Agricultural Conservation Easement and Farmland Protection Commission. September 2011.
FOX LAKE
BURTON
SPRING GROVE
JOHNSBURG
LAKEMOOR
HOLIDAY HILLS
ISLAND LAKE
RICHMOND
RICHMOND
RINGWOOD
MCCULLOM LAKE
MCHENRY
MCHENRY
WONDER LAKE
BULL VALLEY
VENDA
PRAIRIE GROVE
BARRINGTON HILLS
HEBRON
HEBRON
GREENWOOD
GREENWOOD
WOODSTOCK
DORR
CRYSTAL LAKE
LAKEWOOD
ALGONQUIN
LAKE IN THE HILLS
ALGONQUIN
GRAFTON
HUNTLEY
ALDEN
HARVARD
HASTINGS
SENECA
CORTLAND
UNION
MARENGO
CHEMUNG
DUNHAM
MARENGO
RILEY

Explanation of Data Layers

Land Evaluation Scores

The Land Evaluation Scores were chosen as the base layer because of their comprehensive delineation of the quality of soil types and how they range on the spectrum. The higher the Land Evaluation Score, the better the soil for farm productivity. McHenry County has some of the most productive soils in the world, and this map identifies where they are. McHenry County as a whole has very few areas, 50, 757 acres that are considered to be poorly suited for farming by having Land Evaluation Score below 66. Some of the highest scoring soils lie in the southwest, northwest, and north-central regions of the County. Most of these areas have little to no development, so that agriculture can take advantage of the rich soils.

Agricultural Use on Conservation Land: The McHenry County Conservation District

The majority of the protected open space is preserved by the McHenry County Conservation District, whose mission is to preserve, restore, and manage natural areas and open spaces for their intrinsic value and for the benefits to present and future generations. To preserve land, MCCD may purchase fee simple or attain conservation easements. In 2001 and 2007, voters approved two referendums which allowed MCCD to permanently protect over 25,000 acres to date. Due to limited funding for the restoration and management of those protected lands, approximately 6,200 acres remain in agricultural uses primarily for the benefits of brush/weed control until restoration can take place. MCCD believes agriculture can serve as a buffer to high-quality natural areas only if it is managed properly.

To identify “properly managed” agriculture, MCCD turned to the USDA Natural Resources Conservation Service’s (NRCS) agricultural best management practices identified in the field office technical guide (FOTG). Section four of the FOTG, “Practice Standards and Specifications,” is a compendium of all agricultural best management practices. In section three, “Conservation Management Systems”, NRCS also identified quality criteria, which established standards for resource conditions that help provide sustained use. Sustained use is adequately planning for and applying conservation practices that fully address all soil, water, air, plant, and animal resources.

Section three identifies three basic conservation plan requirements that vary in addressing the five resource concerns. A Basic Conservation Plan (BCS) addresses only soil erosion and keeps a farmer eligible for USDA farm program benefits. An Alternative Conservation Plan (ACS) is complex but keeps one eligible for USDA farm program benefits. A Resource Management System (RMS) is a comprehensive conservation plan that fully addresses all five resource concerns of soil, water, air, plant, and animals, to the maximum feasible extent. Only

agriculture with an applied RMS is a good buffer and neighbor to MCCD's valuable natural areas and MCCD requires all operators of their lands in agriculture to have an NRCS approved RMS plan to be applied in a reasonable period of time. Understanding RMS plans may take time and the operator's money to implement. MCCD offers long- term leases to farmers. Furthermore, many practice standards and specifications found in section four of the FOTG are eligible for cost share with NRCS's Environmental Quality Incentive Program (EQIP) or other offered cost share programs.

Common conservation practices identified in an RMS for a typical farm in McHenry County include: conservation crop rotation, which disturbs various insects life cycle and controls erosion; residue management, which leaves last year's residue on the soil surface in varying amounts (the more the better) to improve soil tilth and add organic matter , as well as control soil erosion; grassed waterways or terraces to protect the soil from rain runoff; nutrient management; waste utilization; filter strips; field borders; integrated pest management, which benefits and improves surface and groundwater quality; and finally, management of those "odd" areas or field borders to allow for suitable habitat for various wildlife. Therefore, producing local food is an acceptable land use to MCCD on their cropland as long as an RMS is planned and scheduled to be applied in a reasonable time frame.

Agricultural Conservation Easements: The Land Conservancy

The map identifies the agricultural conservation easements on McHenry County farmland. Many nonprofit and government agencies hold conservation easements, such as land trusts and public land agencies. Of these, only The Land Conservancy currently holds agricultural conservation easements within McHenry County. Agricultural conservation easements are a legal contract with the property owner and a nonprofit or government agency that limits uses of the land to guarantee that the property will remain in agricultural use for perpetuity. There are currently approximately 500 acres of land held through agricultural conservation easements. They consist of four family farms ranging from about 70 acres to 158 acres in size.[35] These types of easements are important to ensure land availability for food security in the future.

Hackmatack National Wildlife Refuge: Potential Future Local Food Opportunities

In August of 2012, the Hackmatack National Wildlife Refuge was officially designated in an area of northwestern McHenry County extending into Walworth County, Wisconsin. The configuration of the refuge boundary circles around farmland that has been identified to have some of the best soils in the region for growing food. Sustainable farming and natural area and

[35] The Land Conservancy: information provided by Lisa Haderlein

habitat preservation practices are often symbiotic, in other words, local food farms and conservation areas are good neighbors to one another. There is a significant opportunity to pursue the potential expansion of local food production in this area and to offer the perfect complement to land conservation efforts on these parcels. Further exploration with local food farmers in the area regarding the viability of land protection efforts and which incentive programs need to be in place, is warranted. In addition, further study should be conducted to determine the associated benefits of co-locating local food farming and a refuge.

Local Food Production in Community Gardens and Parks

There are several community gardens in McHenry County. The University of Illinois Extension program has led efforts to install a few of them, including one in the City of Harvard, where they help plant and harvest produce for the local food pantry. Extension planted another community garden in raised beds outside the McHenry County Farm Bureau office in Woodstock. Extension was also involved in the initial planning of a school garden at Woodstock North High School. Community food gardens are another way to cultivate and protect land for local food production and engage community members in this process. Please see Section VI. Education and Workforce Development for further information about community gardens in the County.

Land Use Analysis Conclusions

The land use assessment and land evaluation map are vital to protecting prime farmland and identifying criteria for land protection for local food production. It is important to assess geographic characteristics to identify high quality agricultural features to prevent against non-agricultural incompatible land uses. Therefore, land protection measures are another critical way to promote farmland protection, such as through agricultural conservation easements. Nevertheless, as local food production does not require large acreage, individuals can also more feasibly own and operate smaller local food farms.

The land evaluation map identifies existing agricultural land. There are high quality soils located primarily on the west and north central part of the County which are primarily used for agricultural production. There are also some small spots of land in the southeast near McHenry County's urban centers where interested farmers could find good soil for local food production on small acreage. Further, based on natural resource conditions, there are opportunities for agricultural use in protected lands as a sustainable interim or permanent use if adequate planning and natural resource best management practices are applied based on the NRCS RMS model highlighted above; it can also serve as a buffer to natural resource areas. The assessment also indicated that there are additional public areas, such as in community gardens and public

parks, where local food is grown and harvested by community members which also creates a fresh food supply that is often made accessible to food pantries in the County.

The abundance of agricultural resources and opportunities is not to be taken for granted, however, in light of population growth projections and groundwater contamination and drought concerns. Therefore, the land use assessment and companion land evaluation map can be used as a tool for the County for land use planning to protect farmland and target suitable tracts of land for local food production.

III. Policy Barriers Analysis

Local government policies, programs, and decisions have significant implications on the viability of local food systems. The extent to which they enable and promote farmland preservation, local food production, the local supply-chain development and local food availability and access is critical to ensuring a vibrant and sustainable local food system. Regulations and incentive programs both play an important role in affecting this outcome. Therefore, it is essential to assess potential regulatory barriers in order to identify opportunities and challenges for a sustainable local food system in McHenry County.

The Task Force conducted outreach and collected information from local food producers as well as regulators from the Department of Planning and Development ("P&D") and the Department of Health in McHenry County to gain an informed and balanced perspective. First, the Task Force distributed a survey to the 74 inventoried local food producers in McHenry County to capture information about their respective farming operations, including the farm specifications, crop variety and yield, farming practices and distribution. Additionally, the survey asked participants to identify barriers to growing their local food business. Based on the identified barriers, the Task Force conducted research to determine if they were perceived or real barriers. This entailed reviewing relevant County regulatory policies and also examining organizational structures and implementation practices at the county level that influence these regulatory issues. Task Force representatives then conducted meetings with the Department of Planning and Development and the Department of Health separately to gain their insight on these perceived regulatory barriers. By coalescing information from producers and regulators as well as conducting thorough reviews of applicable ordinances, the Task Force was able to gain a comprehensive understanding to distinguish between perceived and real policy barriers to local food farming in McHenry County.

This analysis led to informed recommendations for policies that will enhance local food production and distribution opportunities and support farmland protection in McHenry County. These recommendations, which are synchronized with the vision of the McHenry County Agricultural Conservation Easement and Farmland Protection Commission and aligned with the goals and policy statements of the *McHenry County 2030 Comprehensive Plan*, will be shared in the Recommendations section.

Identified Barriers:

Based on survey feedback, local food producers identified regulatory and non-regulatory barriers to expanding their business. The most commonly identified regulatory barriers were zoning restrictions, agricultural signage restrictions, stormwater management requirements,

and public health regulations. Local food producers also indicated perceived inconsistency and a lack of clarity related to cross-over regulations that are overseen by both the Department of Planning and Development and the Department of Health in McHenry County. Other non-regulatory challenges that local farmers identified, included financial challenges, such as land affordability and property taxes, a lack of nearby meat and poultry processing facilities, marketing issues, and workforce development challenges.

Given this input, the Task Force prioritized its research to address the most salient identified regulatory issues to first determine if there were real barriers and whether they can be addressed through potential policy or structural changes. This research involved first reviewing the *McHenry County 2030 Comprehensive Plan*, as well as the relevant ordinances, focusing on McHenry County's Zoning Ordinance, Stormwater Management Ordinance, Sign Ordinance, and Public Health Ordinance respectively, as well as public health and food safety regulations and statutes at the state and federal levels.

The Task Force also prepared questionnaires for County staff representatives at the Department of Planning and Development and Department of Health respectively to assess the Departments' regulatory jurisdiction over local food issues as well as to address the identified barriers from their perspective. By drawing from all three sources of information, the Task Force was able to develop a cogent analysis of the identified barriers to better determine whether they are perceived or real barriers to the local food system and how they can be addressed through policy recommendations.

McHenry County 2030 Comprehensive Plan

The *McHenry County 2030 Comprehensive Plan* (hereafter "Comprehensive Plan" or "Plan"), designed by the Regional Planning Commission and adopted by the McHenry County Board in 2010, serves as a framework to guide the County's land use decisions and policy actions forward until 2030. The Task Force examined the Comprehensive Plan to establish a foundation for the County's vision and policies regarding agricultural resources, land use, and economic development in order to determine whether or not it supports or deters local food operations and how it may affect the identified barriers. It is apparent that the Plan recognizes and prioritizes the preservation of agricultural land and resources: one of the Plan's principal agricultural resources goals is "to preserve the most productive farmland as a source for viable agricultural activities that will enhance the County's economy and contribute to its rural character" (p. 27). This goal complements the [ACE/Task Force's] vision that agricultural viability translates into agricultural land protection.

In addition to supporting conventional agricultural activities, the Plan also endorses the types of agricultural activities characteristic of local food farming. Typically, local food farming is defined

as the close proximity where food is grown and consumed. However, it also encompasses farming defined by specialty crops (non-commodity crops) production, small-scale operations, and environmentally friendly practices. The Plan "favor[s] a shift from a reliance on long-distance food transport to local and regional agriculture" (p.32). It further states the energy-efficiency and economic multiplier benefits of consumption of locally grown food (p. 32). The Plan also indicates the importance of "specialty crops," which it defines as a vast array of farming practices and enterprises, which are considered unique from conventional agricultural activities, such as unconventional production systems for organic farming or aquaculture (p. 32). Further, it endorses "sustainable agriculture," a common tenant of local food farming, which the Plan defines as a farming system that has long-term stability in satisfying food and fiber needs, enhancing environmental quality, and sustaining the economic viability of farming businesses, to boost the County's quality of life (p. 32). Moreover, the Plan acknowledges the County's objective to protect large-scale contiguous agriculture from premature conversion or fragmentation as well as encourage small-scale farming as a way of creating a greater extent of agricultural self-sufficiency around the denser, urban areas of the County (p. 32). Collectively, these goals promote local food farming in the context of agricultural resources protection.

The Plan's policy statements also substantiate a commitment to agricultural resources protection and the importance of viable farming operations as a key method of land protection and economic development in the County. The Plan recommends "encourag[ing] right-to-farm legislation, support[ing] incentives to retain farmland, and further limit[ing] the circumstances under which farming operations may be deemed a nuisance" [Agricultural resources, Policy Statement (1.), Page 38]. This policy statement provides a key framework for analyzing the identified regulatory barriers from the Local Food Producer Survey to assess whether the affected farming operations have been deemed a nuisance; and how policy recommendations can alleviate these potential barriers by limiting the regulatory or other circumstances that created them. The Plan's policy statements pertaining to land use and economic development also favor farmland protection and the viability of agricultural activities: the Plan's "land-first principle" favors (farm)land protection before development; the Plan also indicates the important role that farming plays in generating economic and community development benefits. Therefore, based on the Plan's prioritization of agricultural activities and farmland protection, it provides a key framework for evaluating the identified barriers and determining whether or not they are real barriers to the Plan's agricultural vision and policy goals. The analysis will also lead to potential policy changes that can alleviate the identified barriers and enhance the Plan's commitment to protect agricultural resources above and beyond its current form.

However, despite the Comprehensive Plan's commitment to agricultural resources protection, many of its policy statements and principles were not codified in the Zoning Ordinance that in large part governs agricultural activities in the County. This incongruity can be explained because the Zoning Ordinance is an older document, written in 2000, and the Comprehensive Plan was written in 2010. The outdated aspects of the Zoning Ordinance partially explain some of the identified barriers, which will be further evaluated in the context of the relevant ordinances and input from County regulators.

Analysis of Zoning Regulations and Potential Barriers

Task Force Findings

The Task Force's findings were based on the evaluation of statutory and regulatory requirements and input from McHenry County regulators from the Department of Planning and Development and the Department of Health. Given that local food production can thrive on small parcels as well as large contiguous farmland, zoning codes are an important element of the local food system and must be proactively addressed to advance the Comprehensive Plan's [and ACE's] mission of preserving agricultural land in McHenry County and promoting viable agricultural activities. By conducting a review of the McHenry County Zoning Ordinance, the Task Force found that zoning regulations are not overly restrictive of agricultural and local food practices, but there are still real regulatory barriers that affect local food producers and the viability of their businesses.

The Task Force found that real barriers exist, including:

- Farm animals are not allowed in residential zoning classifications in unincorporated areas of the County (R1, R2, & R3). (They are allowed in all other zoning districts (A1, A2, B1, B2, B3, E-1, E-2, E-3, E-5, O, I1, & I2)).
- Conditional use permit requirements for agricultural businesses are inconsistent and complex.

Although there are zoning restrictions on keeping farm animals in residential zones, this barrier only impacts small residential lots (typically .5 to 1 acre) in the unincorporated areas of the County, which is limited. Further, the Task Force found that zoning regulations are generally conducive to agricultural activities and local food farming in all zoning districts. Within several zoning districts, including Agricultural Districts A-1 and A-2 as well as the Estate Districts E-1, E-2, E-3, and E-5, local food producers have the ability to grow crops and raise live stock. Foods grown onsite can be sold onsite, such as fruits, vegetables, grains, and eggs. However, if the food items being sold have been processed in any way, such as cutting, cooking, baking, freezing, drying, or juicing, then a conditional use permit is required in order to sell processed

products on site. Otherwise, these products would need to be sold in a retail establishment that is properly zoned. Fortunately, the Department of Planning and Development is working on alleviating barriers to keeping farm animals in residential areas, specifically related to bee-keeping and backyard chickens. This is being addressed in the new Unified Development Ordinance.

Additionally, the Task Force found that conditional use requirements can be inconsistent for McHenry County local food businesses. Further, the conditional use requirements are complex as they trigger both public health requirements and commercial building codes. This is not unique to McHenry County; both Kane County and Boone County have very similar agribusiness requirements.

The Task Force also found that some of the identified zoning barriers from the local food producer survey results were perceived barriers as opposed to real barriers. This is especially true related to the construction of accessory agricultural structures. In this particular case, the Task Force discovered that the perceived barrier to constructing structures is actually attributed to stormwater management regulations.

Identified Zoning Barriers

Local food producers who responded to the Task Force's survey indicated that zoning barriers impact their local food operations. The identified barriers include challenges constructing accessory agricultural structures and inconsistent permitting and building code requirements for agricultural tourism businesses. After evaluating these identified barriers, the Task Force determined the difference between those that were perceived barriers and those that were real.

Identified Barrier: Zoning restrictions on constructing accessory structures

Based on local food producer feedback received through the Task Force's survey, the survey results identified barriers regarding constructing agricultural accessory structures. Based on a review of the Zoning Ordinance, construction of agricultural structures is regulated in accordance with the Illinois State Statute 55 ILCS 5/5-12001. This state statute regulates the minimum lot size requirements and location for constructing structures on agricultural land in order to make them compatible with the principal land use. The Zoning Ordinance also allows accessory buildings to serve small scale agricultural use outside of agricultural districts. For instance, accessory buildings such as sheds and storage buildings for garden equipment and household items can be constructed in residential areas as long as they meet setback requirements and are subordinate in size (floor area and height) to the principal structure on the parcel.

However, the Zoning Ordinance does not address or provide a definition for temporary structures, such as seasonal extension facilities like hoop houses. Hoop houses are important infrastructure to allow farmers to extend their growing seasons and produce greater yields, and ultimately generate more income. Given that the ordinance does not define temporary structures, the Department of Planning and Development does not regulate them. However, the McHenry County Stormwater Management Commission (MCSC) regulates temporary structures if they are deemed to impact drainage.

Additionally, after talking with the McHenry County Department of Planning and Development, the Task Force learned of the County's regulatory process for agriculturally exempt structures. In order to qualify for exemption of agricultural structures, such as storage barn, the landowner-applicant is required to complete an affidavit form and submit it to the Department of Planning and Development to verify that the proposed structure will be used for agricultural purposes. The Department requires applicants to report their agricultural income on this form to make this determination. If the parcel is five acres or less, the applicant must provide proof of income from the farm operation of at least $1,000 per the calendar year pursuant to state statute 55 ILCS 5/5-12001. If the parcel is larger than five acres, the applicant has to provide documentation indicating that a majority of household income is attributed to "agricultural purposes." If the landowner meets these requirements, [his] fees are waived and [he] receives a construction card from the Department of Planning and Development; however, the applicant still must have a storm water review completed.

Overall, these zoning regulations do not appear to be overly restrictive with regard to constructing accessory structures. Rather, the issue appears to be a separate regulatory provision from the McHenry County Stormwater Management Ordinance that requires all landowners to conduct a stormwater review of the proposed agricultural structure to determine whether it will impact drainage, and agricultural structures are not exempt. The sub-section on stormwater management barriers will evaluate this further. Therefore, zoning restrictions on constructing accessory structures is only a perceived barrier.

Identified Barrier: Potential limitations on agricultural activities

The Task Force evaluated the zoning regulations to assess other potential restrictions on agricultural activities. Local food can be a productive use of suitable land parcels and should not be deterred by County zoning codes. The Task Force first researched the County's zoning districts to get a better sense of zoning regulations and which agricultural uses are allowed by right and which are not.

The McHenry County Zoning Ordinance has established zoning districts which are intended to serve as an implementation tool for planning and zoning policies to promote compatible land

use decisions. The districts are defined by their principal land use, but they also allow ancillary uses either by right, as accessory uses or conditional uses, or by permit, as temporary uses. McHenry County's agricultural zoning districts include two different classes, A-1 Agriculture and A-2 Agriculture, which are principally designed to benefit and protect agricultural uses in the County. The Agriculture A-1 zoning district is intended to principally support an agricultural use, which includes a diversity of agricultural purposes, and restrict uses that conflict with agricultural purposes. The minimum lot or parcel size for a single-family residence in this zoning district is forty acres, but there is no maximum lot size. This indicates the priority that is placed on protecting vast, contiguous farmland from encroachment or incompatible land use.

Comparatively, the A-2 agriculture zoning district is intended to allow agricultural uses while also permitting residential uses that conform to allowable lot size requirements and that do not impact suitable agricultural land. For instance, A-2 zoning requirements allow individual residences with a minimum parcel size of one acre. Single family residences may be eligible on A-2 parcels if they petition the County to rezone their property. However, there are established criteria for rezoning to A-2, which require proof that the land is not conducive to agriculture purposes due to specific natural or man-made barriers. For instance, one indication of its unsuitability are lower quality soil conditions as deemed by a score of 76 or lower on the Land Evaluation (LE) portion of the LESA System, as rated by the McHenry County Soil and Water Conservation District. This zoning provision is aligned with the Comprehensive Plan's policy statement to protect highly productive soils as determined by the LESA system. As a result, residential subdivisions and other dense development are not permitted in A-2 zones. Agricultural activities are permitted in this zoning district, but unlike A-1 which are exempt, the keeping of farm animals must abide by the policies established in the McHenry County Animal Control Ordinance. This entails meeting setback requirements. Overall, the A-1 zoning district appears to effectively promote and protect agricultural uses and farmland preservation; while the intent of the A-2 zoning district is to also protect agricultural land, it appears that in practice, suitable farmland can be often lost to residential development.

The A2 zoning district has been a source of conflict over the years to those conservationists who want to preserve agricultural integrity. The major contention is that building homes in an agricultural area is not a compatible land use. Urbanites who may want to live in the country often do not like typical farming practices such as late night noise or livestock smells near their homes and therefore find their lifestyle incompatible with farming. In the 1980's, the McHenry County zoning ordinance required 160 acres of land in order to build a home. In the 1990's the A2 zoning district was created with the intent of allowing a way for the farmer to let a son or daughter build a home near the farm. In reality it was utilized to develop in an agricultural area. Many hundreds of 5 acre lots were established all over the rural parts of McHenry County.

Certainly, many of these 5 acre lots could provide land for locally produced food but the majority is 5 acres of mowed lawn or horse pasture. Many existing homes in A1 (legal non-conforming) proposed to be A2 were less of an issue but many still converted 5 acres of farmland along with the home. In trying to improve the A2 zoning ordinance and preserve our best soils, the County added a requirement for A2 requests. The updated ordinance required parcels to have an LE of 76 or lower and 1 acre minimum lot size. An LE of 76 or lower was thought to be the beginning of our worst soils. Unfortunately this gave rise to incredible lot configurations in order to achieve the LE of 76. As an example, one such lot looked like a vacuum cleaner in profile. Farmland protection efforts were not supported by the new A2 requirements. The County's proposed new Unified Development Ordinance is addressing the problems with the A2 district. In the draft language only existing structures may be allowed to be re-zoned to A2. The Opportunities and Challenges Section will further address this issue.

Beyond agricultural zoning districts, agricultural activities related to the raising of crops, such as fruits and vegetables, are allowed on any land parcel in the County regardless of the zoning district. For instance, residents in residential districts can convert their parcels into food production and likewise homeowners associations can create community gardens in subdivisions. Agricultural production can be a productive use of land on suitable land parcels in the County and can play a significant role in increasing local food production.

After reviewing the Zoning Ordinance, however, it is apparent that agricultural activities related to raising livestock are not allowed in all zoning districts in the County. The Zoning Ordinance allows farm animals in all zoning districts except in residential zones (R1, R2, & R3). "Farm animals" (See Section 202.39) are defined in the ordinance as "the species of fowl, ovine, caprine, bovine, porcine, and equine, that have been domesticated for agricultural purpose(s)." Moreover, given that farm animals are not permitted in residential zones, this implies that there are restrictions on allowable agricultural purposes outside of agriculture districts, A-1 and A-2. The Zoning Ordinance refers to agricultural uses as "agricultural purpose," (see Section 202.27) which is defined as "the growing of farm crops, truck garden crops, animal and poultry husbandry, apiculture, aquaculture, dairying, floriculture, horticulture, nurseries, tree farms, pasturage, viticulture and wholesale greenhouses when such agricultural purposes constitute the principal activity on the land" (55 ILCS 5/5-12001, et. seq.). Therefore, this prohibition of farm animals in residential areas poses barriers to County residents who live in residential zones and are interested in raising farm animals on their land, such as bee-keeping and chicken keeping, which are deemed as part of the codified agricultural purpose. Due to this zoning restriction on farm animals, there is a real barrier to local food production which should be addressed further.

After researching the County regulations, the Task Force also met with the Department of Planning and Development to gain their regulatory perspective on the identified barriers. The Department of Planning and Development indicated that they are working on alleviating barriers to keeping farm animals in residential areas, specifically related to bee-keeping and backyard chickens. Currently, chickens are allowed in the Estate District, but the new provisions that are being developed for the forthcoming Unified Development Ordinance (UDO) will allow chicken-keeping in residential zones, within new established limits and set-back requirements. The new UDO will also include a new provision that will address apiculture in residential areas. Therefore, there is already headway being made to address this local food barrier.

Identified Barrier: Zoning and agritourism

Multiple local food producers who responded to the survey identified regulatory issues that negatively impact their agricultural businesses, or "agribusiness," such as on-farm markets or retail shops, cafes, U-picks, orchards, and corn mazes, among others. They indicated that the regulatory requirements, which typically include obtaining temporary or conditional use permits, meeting building code standards, and complying with health code regulations, are time-consuming, financially intensive and can be confusing due to unclear regulatory guidelines. For instance, survey respondents indicated confusion regarding whether or not their business requires certain permits or is allowed by right, as well as indicated financial challenges to comply with commercial building codes and health codes. These barriers, in varying degrees, ultimately hurt their businesses and are preventing them from expanding.

Based on this identified barrier to agricultural tourism, the Task Force reviewed the Zoning Ordinance and health codes as well as spoke to County regulators to better understand the regulatory complexities. There are no regulatory specifications or guidelines for agricultural tourism businesses nor a definition for this type of agricultural activity in the Zoning Ordinance. This is unexpected given the Comprehensive Plan's focus on the economic value of agribusiness: "agritourism stands out as one means of aiding the local economy while at the same time providing a healthy economic benefit to small- and medium-sized farms and enhancing the rural image of the County" (p. 33). The Plan recognizes that agribusiness is therefore an economic development driver for local businesses in the County and generates greater returns to the grower who can sell agricultural products at retail prices rather than wholesale prices. The Zoning Ordinance's omission of this important agricultural and economic activity not only undermines the Plan's objectives, but also creates confusion and limits business growth opportunities for local food producers who operate agribusinesses.

In order to get clarification on this regulatory process, the Task Force sought input from the County regulators. Based on feedback, it became evident that there are various inconsistencies

in the regulatory requirements for agribusiness. For instance, permitting requirements vary depending on the type of agricultural tourism business because in certain cases they are allowed by right, and in others, they require a Temporary Use Permit and in others a Conditional Use Permit. The primary difference is whether or not operators are selling produce that is grown off-site or value-added products, like processed food. By right, operators are only allowed to sell food and farm products produced on-site, such as at roadside farm stands. The Department of Planning and Development noted that this requirement is in place because agribusiness is intended to principally support local growers and local farmland protection, and allowing off-farm products to be sold could detract from this objective.

However, there are exceptions to this regulation if local food producers obtain the appropriate permitting from both the Department of Planning and Development (P&D) and the Department of Health, respectively. P&D regulates the retail sales aspect of agribusiness whereas the Department of Health regulates the food processing operation standards. In order to satisfy the retail sales regulations, business operators first have to obtain adequate permitting from the P&D. If an agricultural business operator only wishes to sell off site products, they can apply for a Temporary Use Permit under Article 404 of the Zoning Ordinance. Further, if the operator wishes to "add-value" to the operation by selling off-site products or processed food products or by building entertainment-based attractions, they are required to apply for a Conditional Use Permit. For instance, Royal Oaks offers agricultural tourism attractions in McHenry County, including an apple orchard, which they can operate by right, as well as an on-site restaurant where they sell apple pies, a gift shop, banquet facility, petting zoo, and other agriculturally related attractions. In order to operate this agribusiness, Royal Oaks had to obtain a Conditional Use Permit by paying a fee and submitting an application which went through the Zoning Board of Appeals and County Board; the Conditional Use Permit is a multi-year and renewable permit.

However, the permitting process for agribusiness gets further complicated given the concurrent health code regulations that are overseen by the Department of Health. There are stringent health code requirements that regulate food processing and operating standards in McHenry County as well as food safety state statutes. In some cases, these overlap with P&D regulations such as for home food processing. One example that appears particularly confusing is that the P&D regulates "home occupations" as enforced by the County's Zoning Ordinance. Based on the P&D's mandate, food that is prepared in a home residence, even if it is prepared in a certified commercial kitchen in someone's home, cannot be sold on-site; it can be sold to restaurants, at farms markets, or online. This is to address zoning concerns about public nuisance and to uphold the integrity of the residence. However, if food is processed and prepared in a commercial kitchen in an accessory structure that is not the primary residence on an agricultural property, this food could be sold on-site if it receives the proper permitting from

the Department of Health, a food health permit, and a Conditional Use Permit. This scenario is exemplified by Royal Oaks Farm.

Further, there are additional layers of complexity based on public health regulations related to food processing standards. If food is produced in a certified commercial kitchen, it is typically permitted to be sold retail or wholesale, with the exception of the home occupation caveat. However, if a local food producer prepares food in a home kitchen that is not a commercial kitchen, the operator must be registered in the County as a "cottage food producer," which is governed by the Cottage Food Act of Illinois; registered cottage food producers can only serve "non-hazardous" food products at farmers markets.[36] Moreover, although there is an actively enforced regulatory process, the public health permitting requirements do not appear to be clearly conveyed by the Department of Health and it is understandable why these requirements could be confusing and a financial deterrent to agribusiness operators.

This is also a prime case of regulatory cross-over issues where both the Department of Planning and Development and the Department of Health share regulatory oversight of different permitting aspects of an agribusiness. The Department of Planning and Development principally regulates retail sales of local food products whereas the Department of Health primarily regulates public health and food safety operation standards and permitting. With increased coordination between the two departments they can provide clear regulatory guidance and increase the efficiency of the joint regulatory process which will ultimately lead to more successful agricultural businesses in the County while protecting public health.

Farmers Market Permitting Requirements

Another form of agricultural tourism businesses are farmers' markets, which provide an optimal venue for local growers to sell their products directly to consumers. The Zoning Ordinance does not currently address farmers markets and permitting requirements, which has not yet posed an issue since the only farmers markets in McHenry County are in municipalities. Based on our conversation with the P&D, if there were to be interest in setting up a farmers' market in an unincorporated area of the County, they would treat the farmers' market as a temporary use, similar to how they treat flea markets. The Temporary Use Permit is valid for seven days and there is no limit on renewals. The P&D indicated that they would distinguish farmers markets as its own category in the new UDO.

Commercial Building and Health Code Requirements

In addition to permitting requirements, agribusiness operators expressed that commercial building code requirements were a barrier to their businesses. Further, they indicated that it

[36] See IDPH Technical Information Bulletin #40 for further specification of allowable cottage food products.

was unclear which types of agribusinesses are allowed by right and which require building to commercial building code standards.

The Department of Planning and Development helped clarify which types of agribusiness have to meet this requirement. It appears that agribusiness operators that sell products beyond what is produced on the farm have to obtain a Conditional Use Permit as well as a Commercial Building Permit. The distinction is based on the P&D's premise that anything that is not strictly used for agricultural purposes has to be built to commercial building code standard (which is a subset of the International Code Council's policies). For instance, corn mazes are allowed by right, such as Richardson's corn maze in McHenry County, whereas haunted houses require building code regulations since they are not integral to the farming operation. This requirement is part of the Conditional Use Permit. Therefore, agribusiness operators who are required to build to commercial code would first need to apply for a Conditional Use Permit, and then they have to consult an Illinois licensed architect to develop building plans as a preceding step to obtaining a commercial permit. Overall, these building and zoning permitting requirements seem cumbersome and costly and appear to serve as a real barrier to local food agribusinesses.

In addition, these operators would have to comply with health codes. They have to build on-site restroom facilities and hand-washing stations, which are also a requirement of the Department of Health. The Department of Health says that health code requirements are triggered if agribusinesses are serving or selling "value-added" food products that involve some kind of food processing. This includes everything from serving cut fruit samples to selling jams.

Therefore, the conditional use permitting requirements for agribusinesses are a real barrier to local food business operators. A further challenge for these producers is complying with conditional use permit requirements while keeping up with market changes. For instance, if the market demands change for a different type of food product or agricultural activity, agribusiness operators may adjust their business offerings, but this may entail changing the terms of their conditional use permit. This can be a cumbersome and expensive process. Further, conditional use permits as well as temporary use permits can be cost-prohibitive depending on the type of food product that is being sold. For instance, if a tomato farmer wanted to use an accessory farm building to sell tomatoes to the public, he would need to obtain a temporary use permit. Based on the anticipated tomato sales, it would not be worth the investment in the permit due to the limited return. Therefore, for the reasons identified above, the permitting regulations that affect agribusiness pose a real barrier to local food agribusinesses and will be addressed further in the Opportunities & Challenges section of this report.

Analysis of Signage Regulations and Potential Barriers:

Task Force Findings

By conducting a review of the *McHenry County Sign Ordinance*, the Task Force found that sign regulations are restrictive for local food marketing, and thereby pose a real barrier that affects local food producers and the viability of their businesses. The Task Force found that the sign ordinance only allows each agricultural property to have one sign that identifies the agriculture use of the properties. Although the sign limitation is a real barrier to the marketing of local food products, such as at road side farm stands, there are no restrictive set-back requirements for agricultural signs. Moreover, the Planning and Development Department indicated that the new Unified Development Ordinance will amend the sign regulations.

Identified Signage Barriers

Based on survey feedback, local food producers indicated that the *McHenry County Sign Ordinance* is a significant barrier to marketing local food products, which consequently hurts their local food businesses. One local food producer indicated that the ordinance requirements make it difficult for agricultural signage to be seen from the road. This, in turn, makes it difficult for local food producers to market their products and facilities like U-picks, Community Supported Agricultural (CSA), and on-farm markets, which in turn limits their revenue from direct-to-consumer sales, a substantial source of income for local food growers.

The Task Force examined the *McHenry County Sign Ordinance* to gain a better understanding of the requirements and their potential impact on local food production and retail sales. The ordinance indicated that agricultural signage is exempt and allowed in all zoning districts as long as it meets the following criteria, such as that it "is erected in a zoning district where agricultural uses are permitted," and "must relate to the sale of farm products, grown, bred or produced on the premises or the agricultural nature of the property."[37] This requirement is aligned with the zoning provision that only farm products sold-on site can be sold at farm stands. The ordinance specifies that signs can be no more than thirty-two (32) square feet in area for a single faced sign and sixty-four (64) square feet for a double faced sign and restricts illumination. The set-back requirements are not specified in the ordinance, and perhaps that is why they are perceived to be arbitrary.

The Task Force's meeting with the Department of Planning and Development helped clarify the aspects that might account for this identified barrier. The Department indicated that the sign ordinance allows each agricultural property to have signs that identifies the agriculture use of

[37] (See section 301.1) Sign ordinance

the properties. Those signs do not require permits and have no setback requirements other than they cannot be in the right-of-way of the road. The Department of Planning and Development indicated that the sign ordinance will be amended and incorporated into the forthcoming Unified Development Ordinance (UDO). This is an opportunity to propose changes that will benefit local food growers. Overall, it appears that the current Sign Ordinance is perceived barrier to local growers' marketing efforts, but that it is something worth addressing in the proposed UDO.

Analysis of Stormwater Management Regulations and Potential Barriers

Task Force Findings

Based on the Task Force's review of the regulatory process that governs stormwater management in McHenry County, it appears that regulatory requirements of the McHenry County Stormwater Management Ordinance and the associated fees pose a potential barrier to local food producers and operators who want to perform certain agricultural activities or build an accessory agricultural structure.

The Task Force found that potential barriers exist, including:

The expenses associated with a stormwater permit application, including hiring an engineer to conduct a site survey to determine specifications for the application, and the permit fee pose financial challenges for small-scale food producers.

The ordinance can pose barriers to constructing temporary structures like hoop houses that are used for seasonal extension. This is based on regulating land disturbing activities, such as ground-leveling, that are needed to prepare the site for the structure as well as regulating the installation of the structure if it is in a flood prone or flood plain area.

The ordinance can also pose barriers to installing new drain tiles; there is no specific section about new drain tile installation in the ordinance, but it may qualify as regulated development and require a stormwater permit, which creates inconveniences and added expense for local food producers. (Maintenance of existing drain tile systems is exempt.)

The Task Force recognizes that local food producers face potential regulatory and financial challenges as a result of the stormwater management ordinance. However, the Task Force spoke with County regulators from the McHenry County Stormwater Management Commission ("MCSC" or "Commission") to assess these issues from their perspective and learned of ways they are working to reduce these types of barriers to sustainable agricultural activities that will also benefit their administrative functions. For instance, in 2011, the MCSC amended the ordinance to change detention requirements that effectively reduce barriers to the costs

associated with building a small agricultural accessory structure and also protect land from further disturbances. The MCSC is also working to streamline agricultural drainage requirements by creating a "Countywide permit." The commission has applied this streamlined process to other regulatory issues like stream bank stabilization, and it has effectively cut down processing time and costs for both the applicants and regulatory personnel.

Nevertheless, the development classification and hydraulic disturbance area of the proposed activity or structure determines whether or not it is regulated development, and in turn, which regulatory requirements apply and the permit fees. As a result, there is a perception that MCSC's regulatory treatment of agricultural activities is inconsistent. In actuality, the MCSC follows the ordinance's standards closely and is working to reduce barriers to sustainable agricultural activities by streamlining the process where appropriate thereby reducing permit fees.

Identified Stormwater Management Barriers

Survey respondents indicated that the McHenry County Stormwater Management Ordinance poses a barrier to local food businesses. Specifically, survey respondents indicated the regulatory challenges they faced to build accessory structures, such as seasonal extension structures like green houses, due to stormwater regulations. These types of infrastructure have been generally identified as an essential component of local food production and merit further analysis. Survey respondents also cited other agricultural practices that were regulated by the Stormwater Management Ordinance (SMO) that they contend should be exempt, such as installing new drain tiles. To get a better understanding of these issues, the Task Force took a closer look at the Zoning Ordinance and SMO.

Based on a review of the Zoning Ordinance, accessory structures can be built as long as they meet setback requirements, which do not appear overly restrictive. After speaking with the Department of Planning and Development, it is apparent that their only involvement in this process is to confirm setbacks; they do not regulate these types of temporary accessory agricultural structures. Therefore, no building permit is required, but the structure does require a construction card, which goes toward payment for a stormwater review to make sure it is in compliance with the Stormwater Management Ordinance. This does not necessarily appear to pose issues for local food producers if they can meet these zoning standards.

The Stormwater Management Ordinance (hereafter "SMO") sheds further light on the perceived regulatory issues. The SMO was adopted pursuant to the McHenry County Comprehensive Stormwater Management Plan. It establishes the minimum requirements for watershed development within McHenry County and is managed by the McHenry County Stormwater Management Commission (MCSC). The intention is to manage and mitigate the

effects of stormwater drainage from urbanization and to create uniform standards throughout the County and the municipalities of McHenry County. With respect to its impact on agriculture uses, there appear to be potential regulatory and financial barriers.

Generally, agricultural practices, such as gardening, plowing, and similar agriculture practices that do not involve filling, grading or the construction of levees, are exempt. Agricultural conservation practices, such as filling or grading as part of a Natural Resources Conservation Service designed and approved conservation project (i.e. terraces, grass waterways) are not considered development and are also exempt. Agricultural activities and projects that are regulated, include: projects that fill or grade (aside from normal cultivation) where the combination of cut and fill exceeds 100 cubic yards or hydrologic disturbance exceeds 5,000-square feet; projects that create a new impact on a regulatory wetland, floodplain or channel; and any fill or grading (aside from normal cultivation) in a flood prone area or regulatory floodplain. (See the 9 criteria specified in Article IV, A. Regulated Development in the Stormwater Management Ordinance). In addition, maintenance of existing drain tile systems (similar size and location) are exempt, however, installation of new drain tile systems are typically regulated because they trigger regulated development criteria.

The McHenry County Stormwater Management Commission (MCSC) helped clarify the impact of the SMO by providing examples of agricultural projects that have generally required stormwater permits. These include structures, such as barns, and ditch maintenance where the farmer wants to dispose of excavated sediment along the channel. Another instance in which agricultural practices are regulated is the storage of manure in a flood prone area.

The MCSC also addressed the potential barriers the Task Force identified, including permit fees, permit requirements related to temporary agricultural structures, and permit requirements for new drain tile installation. With respect to permit fees, the MCSC acknowledged the expenses that small-scale agricultural operators have to underwrite in certain instances if they are applying to build an agricultural structure or perform an agricultural activity that is considered regulated development. In order to reduce the regulatory barriers and accompanying fees, the MCSC indicated that they are working on creating a countywide permit for certain agricultural activities, specifically drain tile installation (See Article IV, G. Countywide permits, p. 29). As stated in the ordinance, “The MCSC will issue countywide permits pertaining to specific types of development in an effort to expedite the permit process. Each Countywide permit will specify the terms, conditions and fee for a specific type of development to assure compliance with the purpose and intent of this Ordinance.” Based on the Committee’s experience with using countywide permits for other regulated activities, it appears to be applicable to regulated agricultural activities. Further the permit fee reductions are significant. Countywide permit can

be as little as $105 whereas permits for major development in a floodplain are over $2,000 for comparison.

MCSC also noted the 2011 amendment to detention requirements in the ordinance that effectively reduces implementation costs for sustainable agricultural operators who plan to build smaller structures, and therefore create less impervious surface on their property. The ordinance states, "Detention will only be required for projects that involve the creation of 20,000 square feet of new impervious area; however, detention will not be required where less than 1.0-acre of new impervious area is created, provided that: (1) The total impervious area is less than or equal to 10% of the total land area of the contiguous ownership parcel(s); and (2) The applicant demonstrates to the satisfaction of the enforcement officer that there is adequate downstream stormwater capacity" (see Article V. Performance Standards, F. Stormwater Management, 4. Detention Facilities, on page 44 of the Stormwater Management Ordinance). The ordinance amendment has therefore reduced regulatory barriers related to building small-scale agricultural accessory structures, lowered construction costs, and saved land from further disturbances.

Regarding the construction of temporary structures, the MCSC indicated that they do not necessarily regulate temporary structures unless they fall under the regulated development criteria, such as building in a floodplain; however, they explained that the land disturbing activity to prepare the site for the installation of temporary structures, such as leveling the ground, usually does trigger development regulations as it often impacts over 5,000 square feet. The Committee also noted that temporary structures are only allowed to be operated for 180 days based on the International Code Council's requirements. Moreover, the MCSC indicated that many agricultural operators have installed hoop houses and have obtained stormwater permits to do so, with the permit fee usually averaging about $200 depending on the area of the land disturbance. Given that seasonal extension structures are vital to the viability of local food production, it is important that the MCSC does not pose overly restrictive regulations.

Lastly, the MCSC indicated that there is no specific section in the ordinance regarding the installation of new drain tiles, however, that it is usually regulated development based on the water and land disturbances that are caused by it. This does pose a potential barrier to local food producers by creating inefficiencies and added expenses in their agricultural operations because they have to obtain a stormwater permit. The MCSC indicated that they plan to address this aspect of agricultural activity in future amendments to the ordinance. This will offer the Task Force an opportunity to propose recommended changes to the regulatory treatment of this type of agricultural activity in order to foster sustainable local food

production. The MCSC clarified that stormwater management will not be included in the new Unified Development Ordinance.

Analysis of Public Health and Food Safety Regulations and Potential Barriers

Task Force Findings:

The Task Force examined public health and food safety regulations at the local, state and federal levels to assess their impact on local food businesses in McHenry County. This research entailed a thorough review of McHenry County's Public Health Ordinance ("ordinance"), which was adopted by the McHenry County Board of Health and the McHenry County Board in 1998 to set forth guidelines to protect public health in the County.[38] The McHenry County Department of Health oversees the implementation of the ordinance, which is comprised of several Articles, with each Article addressing specific public health concerns. The ordinance is applicable to the unincorporated as well as incorporated areas of the County. The Task Force closely reviewed Article IV, Food Establishments and Vending of Food and Beverages, and Article X, Wastewater & Sewage Treatment and Disposal for McHenry County, to gain an understanding of food distribution and sanitation standards at the County level. The Task Force also evaluated regulations at the state and federal level that apply to food safety and public health. Representatives from the Department of Health were engaged in the work of the Task Force through consistent participation in Task Force meetings and review of research and findings. After a comprehensive regulatory review, the Task Force found that there are certain regulatory provisions that can act as barriers to local food businesses in McHenry County, but that they are typically only triggered when local food business intend to process and sell their food products to consumers as opposed to selling unprocessed whole food products. Nevertheless, the Task Force understands and validates the important intention of these regulations to protect public health.

The Task Force found that potential barriers do exist, including:

- The complex interplay between regulations at the local, state and federal levels can lead to confusion for local food producers and inconsistent standards.
- The lack of scale appropriate food safety regulations at the state level poses a financial challenge for small-scale food processing businesses that are required to use commercial equipment.

[38] Public Health Ordinance for McHenry County, Article IV, Food Establishments and Vending of Food and Beverages, approved by McHenry County Board on March 19, 1998, addendum June 3, 2002, addendum February 4, 2009. This document can be accessed here: http://www.co.mchenry.il.us/departments/health/pdfDocs/ENV/ArticleIV.pdf

- Local public health requirements for obtaining permits for temporary food sales and food events can be costly.
- The Cottage Food Operation Act can limit vending opportunities for cottage food producers, thereby hampering their business potential.
- Federal laws regulating interstate commerce of processed meat and poultry products limit distribution of these types of locally produced products, and thereby affect potential earnings.

Overall, the Task Force found that there are real barriers that can impact local food businesses, but the degree to which they do depends on the level of food processing. Given that the majority of surveyed McHenry County local food farmers are selling whole vegetables and fruits, they are typically exempt from these regulations. However, local food producers who process food products or "add-value" to the raw product in any way, with the intent of distributing them to consumers need to comply with the applicable regulations for food quality assurance. The intent behind these regulations is justified to protect public health and safety, but it appears that they are not always scale appropriate to the smaller local food businesses.

Further, the multiple dimensions of regulations, based on local, state and federal provisions, can be burdensome, confusing, and create inconsistent standards. Foremost, the provision of "home rule," which allows locales and counties to enforce stricter regulations than those prescribed by the Illinois Department of Public Health (IDPH), creates inconsistent regulatory standards across the state. The McHenry County Department of Health does not exercise home rule powers; the Department is also working collaboratively with other local health departments in Northern Illinois to better coordinate regulatory standards related to food sanitation at the retail level.

The Department of Health is currently working to address some of the perceived and real barriers. In partnership with the Department of Planning and Development, the Department of Health has made proactive changes to prevent issues related to confusion of overlapping regulatory issues, including internal meetings to review procedures, joint department meetings with applicants, ensuring copies of relevant file correspondence to each department and generally an increased communication between the Departments of Health and Planning and Development staff. Currently, both departments are working to make their data systems available to each other to facilitate information sharing. Moreover, the Task Force has identified opportunities for alleviating some of these barriers without reducing the regulatory standards for public health protections.

Local Food Producer Survey respondents indicated inconsistent and overly restrictive health regulations that impact their local food processing businesses. Specifically, respondents

indicated: regulations that are not scale appropriate to their small-scale operations; confusing permitting requirements for seasonal or temporary food sales; cottage food distribution restrictions, composting regulations, and two other survey respondents indicated that a lack of nearby meat and poultry processing facilities was a barrier to their businesses.

In order to understand the complexity of food regulations, it is first important to recognize that there are multiple agencies beyond the McHenry County Department of Health that are involved in food safety inspection and licensing to ensure that foods are safely processed in Illinois. The USDA's Food Safety and Inspection Service (FSIS), the Illinois Department of Public Health and the Illinois Department of Agriculture each play a major role in this process. The Department is responsible for monitoring food safety at the "retail distribution level", such as overseeing food facility operators who sell food directly to consumers at schools, restaurants and the public at large. The Department regulates food safety issues at this level as well as potable water issues, solid waste disposal, and private sewage disposal. The Department also oversees food storage and food handling at the retail level and indicated a need for education to maintain sanitation of the critical control points that can contaminate food. Lastly, they provide training and education to food operators, which enhance food quality control and promotes distribution of fresh and safe food to community members.

Identified Barrier: Non-scale appropriate regulations

With regards to local food processing, regulations can in certain cases pose barriers to small scale operations as required commercial scale equipment can be cost prohibitive. This, in turn, creates business impediments to the viability of small scale local food processing. Because state laws regulate food processing, this is an issue that needs to be addressed at the state level. For instance, pasteurization regulations, which require high-cost equipment, pose challenges on small scale local dairy processors. In an effort to address this issue in Illinois, local food advocates pressed for legislation in 2012, which became (HB 4494) IDPH Rules: Small Businesses & Pasteurized Milk sponsored by Representative Maria Berrios. It pushed to amend the Grade A Pasteurized Milk and Milk Products Act to provide that by a certain date, the Illinois Department of Public Health (IDPH) would adopt rules to allow small businesses to comply with the provisions of the Act without requiring cost-prohibitive equipment. This bill was introduced in reaction to the IDPH shutting down an organic local artisan ice cream maker who was operating at the Logan Square Community Kitchen in Chicago, Illinois. This legislation was referred to the Human Services Committee and then re-referred to the Rules Committee, where the legislation ultimately died. This legislative initiative demonstrates problems with regulations that are not scale appropriate and the need to develop tiered regulations.

Food safety regulations should be risk-based and focused on traceability for quality control. The required commercial equipment is intended for quality assurance of commercial processing facilities, not home scale processing. In the case of small scale food processing, it seems unnecessary to mandate commercial equipment as long as regulations hold processors accountable to appropriate risk-based standards. The Illinois Honey Production Act offers an example to model future tiered regulations.

Identified Barrier: Requirements for obtaining permits for seasonal and temporary food sales and events

Local food producers identified barriers related to obtaining permits for temporary food events. They indicated confusion in figuring out the permitting process as well as overly strict sanitation conditions. Consequently, this can limit their business potential.

We examined Article IV, Food Establishments and Vending of Food and Beverages, as well as Article X, Wastewater & Sewage Treatment and Disposal for McHenry County, from the McHenry County Public Health Ordinance in order to assess the potential barriers to local food businesses that are interested in operating temporary or seasonal local food events. The particular Article IV defines temporary food events as "Temporary Food Establishment," which means "a food establishment that operates at a fixed location for a period of time of not more than 14 consecutive days in conjunction with a single event or celebration. The term does not include establishments that handle only whole fresh fruits and fresh vegetables." Further, the Ordinance clarifies that "Temporary Food Events" and "Temporary Food Establishments" have the same meaning for regulatory purposes. It also classifies Temporary Food Establishments into three categories as follows: Category I: Foods with extensive or complicated preparation of high risk foods, or high risk operations; Category II: Foods with limited preparation or handling; Category III: Pre-packaged, non-potentially hazardous foods and pre-packaged ice cream products. Therefore, although local food producers who are only serving whole fresh fruit and vegetables are exempt, it is evident based on survey results that those who are seeking permits are selling value-added food products, and they are typically required to obtain a permit.

The ordinance specifies permit requirements for a temporary food establishment and indicates that this type of establishment or event must hold a valid operator's permit issued by the Health Authority in the operator's name for the specific location (see Article IV, Section 750.15 for details.) Category II and Category III vending machines, Category III Temporary Food Establishments and Category III Food Establishments serving only pre-packaged, non-potentially hazardous food items are exempt from the permit and fee requirements; however all other requirements of this ordinance must be met. In cases in which temporary local food events do not meet these exempt classifications because they are serving potentially hazardous food

products, they must seek a permit. Typically, they seek a temporary food permit which is issued for a period not to exceed 14 consecutive days, with the option to renew the permit. For reference, conditional permits are issued to existing fixed food operations that have operational or ongoing concerns that prevent issuance of the regular health permit. Therefore, they are not appropriate for this type of permit request and scenario.

In order to obtain a health permit, all specified conditions must be met. However, there is a provision that allows for variances if a food establishment operator can provide justifiable reasoning. The regulated conditions pertain to food preparation, packaging, display, service, storage and transportation. They include ice, facilities, equipment, potable water, wet storage, waste disposal, hand washing, walls and ceilings of food preparation areas, and single service articles. (See Article IV, Subpart J: Temporary Food Establishments and Outdoor Grilling for further information). They are designed to be stringent in order to protect against public health food hazards. For instance, the ordinance requires that a temporary food establishment, which operates repetitively at the same location, shall be under the operational supervision of a certified food service manager during all times that it is operating. Despite the justified intent of the conditions to protect public health, it is also understandable why these pose financial challenges to small scale local food operators who have to comply with the regulations in order sell their prepared food products at temporary events.

Additionally, local food producers who want to sell their prepared food products at this type of venue must prepare the food in a certified commercial kitchen or at the event itself. Further, per the ordinance, foods will be classified based on their relative risk to cause a food-borne illness and certain high risk foods may be prohibited or may require that a food preparation plan be provided and approved to the Health Authority. This could further pose issues to small scale local food producers who wish to add-value and distribute food products at this type of event, but only have access to their home kitchen. Once again, the public health concerns are justified, and there may be opportunities to connect local food producers with free or reduced rate commercial kitchen space.

The Task Force also reviewed Article X, regulating wastewater and sewage treatment and disposal for McHenry County, to evaluate the required permits and wastewater infrastructure for “seasonal operations” compared to temporary food events. Seasonal operations are defined as “an operation that operates at a single location for not more than a total of five months per calendar year.” Seasonal operations are different from temporary food events because they are fixed food operations like concession stands, or mobile food establishments that meet standards specific to mobile food units. Therefore, temporary food establishments do not typically fall under this category. Further, by examining the wastewater infrastructure requirements for the two types of operations, temporary and seasonal, they appear to be

merited for sanitary health concerns. They both require access to potable water and wastewater infrastructure. For temporary food events, operators typically utilize portable toilets, which are permitted, unless there is access to permanent public restroom facilities at the site of the event, and they must make adequate potable water available for hand washing and food preparation purposes. The requirements for a hand washing station call for a simple system that has a container of tempered water with a spigot and a pan underneath to catch the wastewater. For seasonal fixed food establishments, however, they are required to have a sink with accessible potable water and wastewater infrastructure. In the future, the Department is evaluating the potential to offer a seasonal temporary health permit. The implication for a seasonal temporary food establishment would be dependent upon a number of factors, including the type of operation and whether they could be operating at a single location only or at multiple locations throughout the County. The combined permit would be beneficial to operators who hold temporary food events on a repetitive basis who would only have to apply for one permit for the season as opposed to renewing it for each temporary food event; it could also benefit the Department by streamlining administrative processes related to permitting.

Identified Barrier: Restrictions on cottage food distribution

The Cottage Food Operation Act has created new opportunities for farmers and local food artisans to engage in value-added processing while also fostering entrepreneurship. The law, which went into effect January 1st, 2012, marked an important step in supporting the local food movement in Illinois by allowing local food producers to prepare eligible non-potentially hazardous food products in their home kitchens that can be sold at farmers markets. This allows cottage food producers to avoid prohibitive expenses in building a commercial kitchen and creates scale appropriate laws for small sized local food businesses.

As of October 2012, four cottage food producers registered in McHenry County. These cottage food operations are CSL Foods, Brit Bake, Vicki's Vines, and Just One Bite. The Department of Health received questions regarding cottage food operations from many individuals throughout the year. The Department anticipates they there will be additional cottage food operators next year once some of the interested individuals obtain the Foodservice Manager's Certification. Although the Cottage Food Operation Act allows counties to charge a fee to cottage food producers who register, none of the counties in northeastern Illinois charge a fee. This should also make the registration more feasible for small-scale cottage food producers who generate limited revenue through their retail sales. Therefore, the state certification and local registration process do not seem to pose barriers to entry, although they will continue to be tested as the law has been in effect for less than a year.

However, cottage food vending is restricted to farmers markets, and there are perceived barriers about distribution limitations. Farmers markets also have the ability to determine what vendors they allow at their market, which could be a compounding factor. Based on the Task Force's research, this perception bears out to some degree. The Woodstock Farmers Market, one of the most popular in the County, does not allow cottage food vendors to participate in the market. In this case, the Board decided not to admit any cottage food vendors into the market because, according to their representative, they already have adequate vendors who use certified kitchens to produce the same products that cottage food producers would offer. It was noted that the market's bylaws do not restrict it. However, the other six farmers markets in the County, including in Marengo, Huntley, Harvard, Cary, Algonquin, and McHenry, do not explicitly restrict cottage food vendors from their markets.

This determination is not necessarily indicative of other Illinois or McHenry County farmers' markets as there are operating cottage food vendors at farmers markets throughout the state. Managing a farmers market appropriately includes determining what kinds of vendors are at a market. Markets can create a balance of vegetable, fruit, meat, and baked goods vendors so that local food vendors do not compete with one another and are able to increase their respective potential earnings.

In sum, cottage food regulations do not appear to pose a barrier to entry, but vending opportunities can still be limited due to farmers markets' ability to control vendor admittance. There appears to be options for farmers markets in McHenry County that allow cottage food vendors to participate. The Department of Health has played an important role in promoting awareness about cottage food registration and could help assess further opportunities for cottage food distribution.

Identified Barrier: Composting regulations

Composting is an integral part of a sustainable local food system in order to reduce and convert waste to a productive use. Composting organic agricultural materials is a viable way to divert biodegradable waste from landfills. There are also entrepreneurial opportunities related to composting. Given public health and nuisance concerns, however, there is a strict regulatory framework that applies depending on the type of waste being composted, the facility needed (if any), and its location. As a result, there is a shared perspective among some surveyed local food producers in McHenry County that the regulations are overly restrictive. Based on the Task Force's finding, state level composting regulations do appear to pose a potential barrier, particularly for food scrap composting, but there is progress to make it a more viable and economically feasible best waste management practice.

The standards and regulations that govern composting in Illinois are administered by the Illinois Environmental Protection Agency (IEPA); in addition, local jurisdictions may have their own composting ordinances that have more stringent regulations. There is no local composting ordinance in McHenry County, and residents abide by the IEPA regulations. Composting operations are still subject to inspection by the McHenry County Department of Health and zoning codes. It is evident that there has already been progress in alleviating some of the composting regulatory barriers at the state level as composting facilities were formerly regulated as a pollution control facility in Illinois, which required a $250,000 application fee. In 2010, Senate Bill 99 amended the Illinois Environmental Protection Act to allow businesses, organizations, and schools to compost their food scraps and organic matter if they comply with statutory standards, and it permits investors to form food waste composting facilities.[39]

However, on-site and off-site composting is regulated differently and composters have to be aware of these differences for compliance purposes. The Rural On-farm Composting Reforms and Urban Agriculture Composting Reforms that passed the Illinois General Assembly in 2013, once enacted, will help make composting of off-site organic matter on rural farms, urban farms, community gardens, and school gardens more feasible, which would yield environmental benefits by reducing waste and enriching the soil.

Currently, for off-site composting, local food producers who are producing organic waste, by raising horses or livestock or operating a restaurant or grocery store, have to hire a licensed hauler to compost the waste. This can be expensive, but it offers an option to these types of agricultural and local food businesses to compost their organic waste, like food scraps, manure, and landscape wastes, and divert it from the waste stream that enters nearby landfills. Further, composting facilities have to seek permits in order to sell their finished product for commercial usage, but there is a sufficient incentive to do so based on the economic returns from their commercial sales.

On-site composting has its own host of regulations due to public health concerns about leachate, pathogens and nuisance issues. For on-site generated food scrap composting, these operations are exempt from requiring a sitting certification and permit (IEPA, LPC-PA8), but they must adhere to Illinois state statute, *415 ILCS 5/3.330 Pollution control facility* section 19, about set-back and operation requirements and other standards as to avoid impacts to the water table, floodplains, nearby residences and schools and other considerations.[40] The on-site

[39] Illinois Environmental Protection Act, Public Act 096-0418, (415 ILCS 5/3.197 new) accessed from http://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=096-0418

[40] 415 ILCS 5/3.330) (was 415 ILCS 5/3.32) Sec. 3.330.19 Pollution control facility accessed from http://www.ilga.gov/legislation/ilcs/documents/041500050K3.330.htm
Illinois Environmental Protection Agency, Bureau of Land, contact 217-524-3300 for further information about composting regulations.

facility also needs local zoning approval. Further, food scrap composting requires a bulking agent, such as paper, to facilitate the decomposition process. Composters are required to obtain a Part A30 permit if an off-set bulking agent is used. Typically, local food composters can use envelopes as a bulking agent to avoid this additional permitting step. In vessel composting is a preferred form of on-site composting because it can reduce nuisance concerns like odor, but any discharges from the vessel must be handled per applicable regulation.

For small-scale, garden composting operations, defined as "one that has no more than 25 cubic yards or yard materials or compost present at one time and is not engaged in commercial activity," there is no permit required. Although there are no additional regulations for garden composting in McHenry County, the Department of Health encourages the use of best practices. For larger, farm composting operations which utilize landscape waste and food scrap, compost must be ¼ mile from the nearest non-farm resident, and ½ mile from the nearest populated area. The site must also be protected from flooding, may not discharge runoff, and must be located at least 200 feet away from the nearest potable water source. If a compost site receives organic matter that was generated off-site (at another farm, for example), or if the compost is sold, then an IEPA permit is required.[41]

The State has additional guidelines governing the composting of animal waste. Livestock waste generated on the farm may be composted without a permit from the IEPA. However, livestock waste that is composted offsite requires a permit. Further, the livestock waste handling facility must meet the set back distances in Illinois Department of Agriculture's Section 35 of the Livestock Management Facilities Act and Section 501. Currently, McHenry County's composting facility does not accept animal waste, which creates an issue as horse manure is a major waste contributor in the County. There are composting facilities nearby such as Midwest Organics Recycling in Wauconda Township in Lake County that accepts horse manure for compositing. This, in turn, can be used for fertilizer, creating a usable product through a sustainable process.

Therefore, it appears that the difference between on-site and off-site composting, which is sold for commercial usage, triggers the level of regulation and corollary challenges for local food producers to compost. However, there is an evident need and opportunity to increase organic waste composting in McHenry County: the County's composting facility is the largest in the state, processing more than 100,000 cubic yards per year of waste. Further there are entrepreneurial opportunities related to composting that will be discussed further in the Opportunities and Challenges section.

[41] Chicago Metropolitan Agency for Planning. (2012). Municipal Strategies to Support Local Food Systems. Accessed from http://www.cmap.illinois.gov/documents/20583/2d991e68-a884-483b-947c-844b91ab418e

Identified Barrier: Lack of nearby meat and poultry processing facilities

Local food producers of meat and poultry products in McHenry County identified barriers related to federal regulations regarding interstate distribution of state-inspected meat and poultry products. Due to the lack of nearby meat and poultry processing facilities in McHenry County, producers indicated that these regulations decrease the viability of small local meat and poultry processors to compete in the marketplace.

Due to the 1967 and 1968 Meat and Poultry Inspection Acts, interstate distribution and sale of state-inspected meat and poultry products is prohibited, whereas federally-inspected meat and poultry products are allowed to be sold across state lines. Under these federal inspection acts, the Food Safety and Inspection Service (FSIS), the public health agency of the USDA, inspects all meat and poultry sold in interstate and foreign commerce, including imported products. FSIS also monitors *state* inspection programs. Therefore, although there is a state-inspected meat processing facility, Sorgs Farm Packing, Inc in nearby Darien, Wisconsin, because this facility is state-inspected, meat processed there may only be sold in Wisconsin. In other words, it would not be a viable nor legal meat processing plant for McHenry County producers to use if they intend to distribute and sell their meat products locally. The lack of meat and poultry processing facilities in McHenry County, in addition to federal meat-inspection laws, puts local livestock farmers at a disadvantage in terms of competing in the local and regional food marketplace.

Despite restrictions on interstate commerce, *state* inspection programs are required by law to be *at least equal to* the Federal inspection program. The Illinois Department of Agriculture's Bureau of Meat and Poultry Inspection is responsible for administration of the Meat and Poultry Inspection Act in Illinois to protect consumers in relation to proper processing, packaging, labeling and advertisement of meat and poultry products. Inspection coverage encompasses all aspects of intrastate slaughter and processing to the retail level. In 2011, the Bureau provided slaughter and/or processing inspection for 279 Illinois establishments and exempt poultry raisers. The Bureau also licenses and inspects 506 Meat and Poultry Brokers, who are defined as any person or entity on commission who is engaged in the business of buying, negotiating, handling, or selling meat or poultry products. Therefore, local food producers who are engaged in selling meat and poultry products and/or processing them in a state-inspected facility must obtain a license from the Illinois Department of Agriculture.

In 2011, FSIS announced a new program, the cooperative interstate shipment program, to expand interstate commerce of state-inspected meat and poultry products. This effectively broadened the market for small-scale processing plants. The final rule, detailed in the 2008 Farm Bill, allows state-inspected establishments with 25 or fewer employees to be eligible to

participate in a voluntary cooperative interstate shipment program, which would allow these establishments to distribute meat and poultry products across state lines if they bare an official USDA mark of inspection. State-inspected facilities that are interested in participating in this new program can apply, and if selected to participate in the program, must comply with all federal standards under the Federal Meat Inspection Act (FMIA) and the Poultry Products Inspection Act (PPIA). The economic benefits of participating in the cooperative interstate shipment program are attractive to local food producers and processors who could expand their market access and potential income. Participation can also lead to economic multiplier effects in local communities through increased local tax revenue and job creation. Given the short period of time that the program has been in operation, it does not appear that any processing facilities in McHenry County have applied to or been selected for this cooperative interstate shipment program, but it is likely that they will in the future.

In the interim, as an alternative, but inconvenient option, McHenry County livestock producers can process their meat products at a USDA-inspected facility outside of Illinois and still be allowed to sell these products in Illinois. For instance, McHenry County livestock producers can process their meats at Lake Geneva Country Meats, a USDA-inspected meat processing facility, in Lake Geneva, Wisconsin, and then transport and sell these products in Illinois. Therefore, the federal regulations do pose distribution barriers to McHenry County livestock producers, but there are available solutions, such as processing meat in a nearby USDA-inspected facility or registering in the new cooperative program, to allow locally raised meat and poultry products to be distributed in McHenry County.

IV. Demand

Consumer Feedback Survey

Despite some limitations on the availability of locally produced food, recent data indicates a strong, growing consumer interest in locally grown food and participation in the local food movement in McHenry County.

The existing conditions of the local food movement in McHenry County are not unlike other areas in Illinois. In order for a local food system and economy to become sustainable, supply needs to meet demand. In McHenry County there is growing demand from consumers for locally produced food, which is coinciding with increasing supply and availability of local food products. This burgeoning local demand provides a key economic incentive for farmers to increase their food production and enables their small-scale operations to be economically viable. Moreover, increased supply and demand of local food promotes a viable local food economy.

The local food economy is the economic impact that is generated by the local food system. The local food system implies the local infrastructure that supports local food production and sales, such as farmland, a robust supply chain, and markets. A local food economy has also been defined as "a locally based, self-reliant food economy in which sustainable production, processing, distribution, and consumption is integrated to enhance the economic, environmental and social health of a particular place."[42] For example, a recent United States Department of Agriculture (USDA) report reveals that fruit and vegetable farms that sell into local markets employ 13 full-time employees per every $1 million in sales, versus just 3 employees for their counterparts that sell into global commodity markets. In other words, a dollar spent at the farmers' market supports four times as many workers as a dollar spent at the supermarket. [43]

In an attempt to assess the conditions of McHenry County's local food economy and how well demand matches supply in the County, the Task Force conducted a consumer survey. The survey was posted online and housed on a polling website called SurveyMonkey. The survey's target population was McHenry County residents, and respondents who participated were asked to indicate whether or not they were McHenry County residents. Two-hundred and thirty respondents self-identified as McHenry County residents; the remaining seventeen respondents did not indicate if they were from McHenry County or not. In order to raise

[42] Feenstra, G. (2002). Creating space for sustainable food systems: lessons from the field. Agriculture and Human Values. 19(2). 99-106

[43] Economic Research Service, Report Number 128 November 2011, Direct and Intermediated Marketing of Local Foods in the United States

awareness about the survey, Task Force participants distributed the online link to the memberships of their networks, including members of the Environmental Defenders of McHenry County, the McHenry County Farm Bureau, McHenry County Conservation District, Woodstock School District 200, University of Illinois Extension Service, and the McHenry County Board. The Task Force made hard-copies available if they were requested. The survey was also promoted on the Task Force's Facebook page and at a McHenry County College film screening of "Fresh," a documentary about food production and public health.

A total of 247 residents completed the consumer survey. It was a random sample and there was no control group; however, given that the survey was distributed by Task Force members, there was a higher probability that respondents were associated with their respective environmental networks and more likely to have an interest in and familiarity with local food. These respondents can be considered "early adopters." Although the survey results are not statistically significant, the survey respondents' input has provided some insightful information about the demand related to local food consumption in McHenry County.

The demand analysis drew on data from the Task Force consumer survey as well as from reports produced by the U.S. and Illinois Departments of Agriculture, including "National Farmers Market Manager Survey 2006" and "Facts About Illinois Agriculture."The vast majority of respondents to the Task Force survey answered that they normally purchase their food from a chain grocery store. These grocery stores either do not offer locally produced food or do not sufficiently advertise whether they carry locally produced food. About 50% of consumers responded that they do not know where the food they purchase is grown and two-thirds of the consumers responded that they do not know if their grocer offers local food or not. When asked how well the local farms and producers in their community provide for the food needs of local residents, the majority of residents (60%), answered that they were unsure, while 31% answered that there was a shortage of local food. Therefore, many McHenry County consumers believe that their local food producers are not satisfying the residents' demand for locally grown food. The overarching theme of the survey responses seems to be that many consumers in McHenry County know very little about the local food movement.[44]

Despite the lack of knowledge and access to local food, there seems to be a growing trend of local consumers desiring greater access to locally produced food from McHenry County. While the majority of people purchase their food from a chain grocery store, 66.2% of consumers responded they also purchase food at local farmers' markets. Additionally, during the growing season, most people, who include the early-adopters, visit their local food source at least once a month; these sources include farmers' markets, farm stands, and participating in a

[44] According to the Consumer Feedback Survey, only 24.7% of the respondents consider themselves knowledgeable about the local food movement

Community Supported Agriculture (CSA) program. Approximately 50% of consumers responded that they have eaten at local restaurants that feature locally grown food, while some consumers responded that they even prefer to eat at restaurants that feature locally grown food. Duke's Alehouse and Kitchen was the top recommendation for a restaurant in McHenry County that serves locally produced food.

In order to examine the motivation behind consumer purchasing trends, the survey asked consumers to identify and rank their top criteria for the food that they purchase. The priority criteria respondents indicated, include: freshness (88.3%), cost (77.8%), organic (53%), local (53 %) convenience of purchase (51%) and ease of preparation (39 %). Because food that is locally grown travels less distance and thus stays fresh longer, the desire for fresh food can lead to the desire for more local food. Moreover, the growing consumer interest in the McHenry local food movement is widespread and increasing. The survey shows that 10.5% of consumers will do whatever it takes and 65.8% of consumers are willing, within reason, to spend more time and money to have access to locally produced foods. Additionally, three quarters of consumers believe that getting food from a local source is a priority. Local food becomes a priority for consumers because it is fresh and good quality. Consumers also like to know where their food is coming from and who is producing their food. For those consumers who did not consider purchasing locally grown food a priority, the main reasons for this decision were convenience (50.8%), price (46.0%), and scarcity of local food sources (34.9%) [Totals may add up to more than 100% because respondents were able to pick more than one answer in the Consumer Feedback Survey].

The main barrier to local consumers' participation in the local food movement in McHenry County seems to be lack of knowledge. Most surveyed McHenry County residents do not know where their food is being grown. While the majority of surveyed local consumers indicate their interest in purchasing local food, aside from farmers' markets, they do not know where else they can purchase it. For instance, they are unsure which wholesale distributors like grocers or restaurants feature locally sourced food. Given the growing popularity of local food, however, restaurants in McHenry County and throughout the region are beginning to feature locally sourced foods on their menus and the farms they purchase them from to appeal to local food consumers.

Woodstock Farmers' Market Survey

The demand for a viable local food economy in McHenry is also seen through residents' participation in McHenry County's seven farmers' markets. One popular farmers' market in McHenry County is the Woodstock Farmers' Market. Woodstock currently has 50 vendors participating in the market every Saturday and 35 vendors every Tuesday. The farmers' market

was voted #1 in Illinois and placed 5th in the nation overall for medium-sized markets in a 2012 American Farmland Trust contest.[45] Because of the size and popularity of the Woodstock Farmers' Market, in 2011 the organization that operates the farmers' market conducted a consumer survey and distributed it to McHenry County residents that frequent the farmers' market. The survey covered a variety of topics, including what influenced the residents' food choices and if they attended other farmers' markets. A total of 145 residents participated and completed this survey.

When asked why they shop at Woodstock, respondents to the Woodstock Farmers Market Survey answered: to purchase locally produced products (52%), to support local farmers and businesses (28%), and to buy fresh food (21%). Consumers going to Woodstock just to buy locally produced food is evidence that supports the growing demand for local food in McHenry County When responding to the same question, competitive prices was the least significant reason why the consumers went to the farmers' market. High prices are continually a barrier to the growth of any local food movement. However, while browsing at Woodstock farmers' market, consumers mostly look at the quality of the food instead of the price.

Woodstock Farmers' Market continues to be a thriving resource for locally grown food. The survey showed that 92% of respondents plan to visit the market at least several times during the season, with 42% of consumers planning to visit at least once a week. Those consumers who visit other markets throughout the year indicated that they prefer to go to the Woodstock Farmers' Market over other markets they visited because of the high quality and freshness of the food products. While Woodstock Farmers' Market connects local residents with locally grown food and farmers to customers, it also brings business to other local attractions. Three quarters of consumers answered that they usually visit other attractions in the Woodstock Square after visiting the farmers' market. This spillover effect helps to stimulate the local economy beyond local food purchases.

People who visit Woodstock Farmers' Market seem to live in the surrounding area; the majority of people (60%) that visit the market live very close (less than 5 miles away), while only 3% of people responded that they live more than 50 miles away from Woodstock. This statistic seems to be in line with the national number of miles traveled by customers to a farmers' market (59.7% answered 0-5 miles).[46] While many consumers responded that the variety of products at the market is great, other items that people would like to see include more meat products.

[45] Woodstock Voted #1 Farmers Market in Illinois and #5 in America for Same-Sized Markets. (2012). Woodstock Farmers' Market. Accessed from http://www.woodstockfarmersmarket.org/vote.htm

[46] United States Department of Agriculture, Agricultural Marketing Service. (May 2009). *National Farmers Market Manager Survey 2006*.

Woodstock Farmers' Market would also benefit from more extensive marketing and consumer education. The majority of respondents (26%) do not know what is going on each week at the market and 24% of respondents hear about Woodstock updates through friends and by word of mouth. Only a quarter of Woodstock visitors use online sources (internet or social media) in order to stay connected to what is going on at Woodstock Farmers' Market.

McHenry Restaurant Survey Summary

Restaurants in McHenry County that feature locally grown food on their menu are vital to the viability of the local food economy. As seen through the McHenry County Consumer Feedback Survey and national surveys, many consumers seek out restaurants who serve locally grown food.[47] The Task Force also distributed a McHenry County Restaurant Survey to identify local restaurant operators who source locally grown food and who have expressed interest in doing so if they do not already. Seven restaurants completed the survey, including Duke's Alehouse, Flatlanders, MCC Slainte Restaurant, Loyola University, Expressly Leslie's, Eugenio's, and Le Petit Marche. The majority of these restaurants in the McHenry area that serve locally grown food have been in business from 2 years to 20 years and are either independently owned or are owned and operated by a local university or college. Six out of the seven respondents indicated that they use locally grown food as part of their menu. Vegetables and fruit are the main food items that these restaurant operators purchase from local farmers, while other items include locally produced meat, herbs/spices, and honey. The percentage of locally grown food on each restaurant's menu ranges from less than 10% to over 50% of the menu. Locally grown food, according to all seven of the restaurants, is always fresh and is of good quality.

Despite the freshness and quality of the food, 70% percent of the restaurant operators surveyed indicate that the price of locally grown food needs to be more economically-competitive with imported or commodity food products. The higher prices are accounted for by the inefficiencies of scale of small-sized agricultural operations as well as supply-chain issues. For instance, each small scale farm has to have its own irrigation system, infrastructure and equipment, which is costly. Sometimes farmers do not have access to refrigeration units, limiting the shelf life of their products. Further, local McHenry County farmers do not have access to local aggregation centers, often called food hubs, where they could bring their products for wholesale distribution, but rather transport their products from the farm to their customer. This is an inefficient and costly way to transport food products, however, the direct

[47] "In a 2011 survey of nearly 1,800 chefs, locally grown food was picked as the top restaurant trend for 2012, which is the fourth year in a row as the top trend." (National Restaurant Association's Chef Survey: What's Hot in 2012. Accessed from www.restaurant.org/pressroom/social-media-releases/images/whatshot2012

relationship that is formed between farmers and customers, in this case restaurant operators, is highly important and not to be taken for granted.

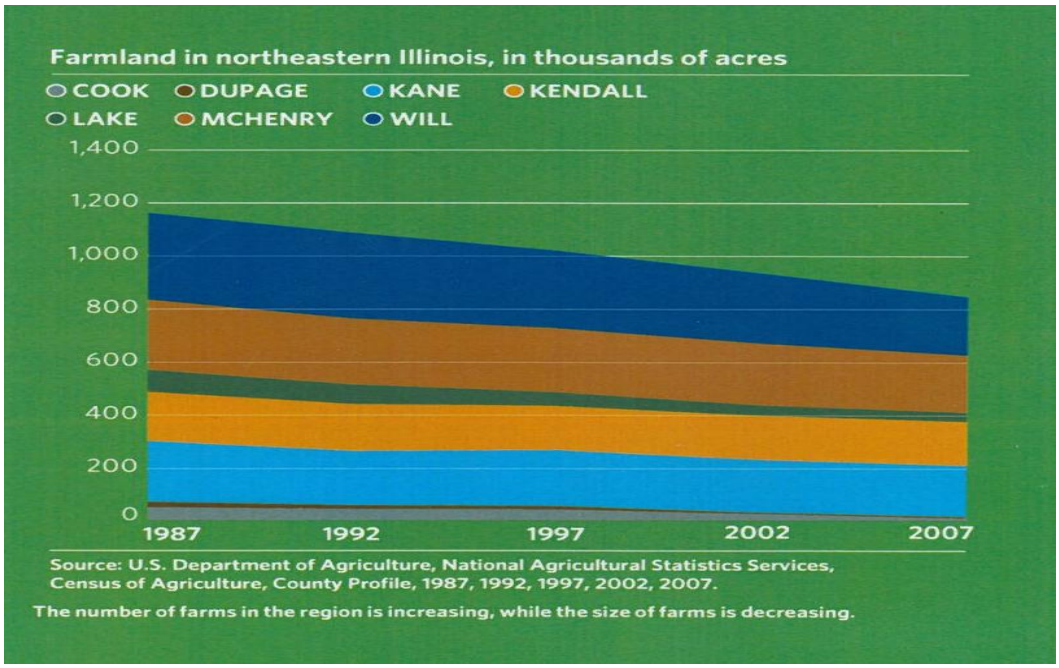
Surveyed restaurant operators in McHenry County believe that there are many benefits to serving locally grown food, including the freshness and nutritional quality of the food, as well as its marketability to their clientele. However, they still identified other constraints, such as a limited variety of specialty food crops and a constrained quantity of local food in the County. This limited variety of local produce has been identified as a constraint for restaurant operators who have indicated their interest in expanding the variety of local food items that they source for their restaurant; local farmers are also impacted as they have to compete with other local farmers who grow the same types of food crops. Additionally, restaurant owners and chefs are concerned that they cannot receive the quantities of food that their restaurants need by buying locally sourced produce, especially in a climate that limits the growing season. Fortunately, these restaurants are becoming more flexible with their menus by changing them in accordance with the seasonality of local food products.

Illinois Statistics

Illinois residents' growing demand for local food is currently unmet. This is not due to a deficiency in productive farmland, but rather largely attributed to the types of crops that are currently predominant in the state. Nearly 80% of Illinois' total land area is farmland, but the majority of the land is used to grow corn and soybean commodity crops. Although Illinois is highly productive in producing agricultural commodities, which contribute significantly to the state's economy, it also has the opportunity to develop its economic potential for local food production and consumption. In Illinois, an estimated $46 billion is collectively spent on imported food every year; this is 96% of the total annual food expenditures in the state. This indicates that the vast majority of our food dollars leave the state every year. If the production of fruits and vegetables were to increase in Illinois, a substantial amount of this food demand could be met by production in the state and even the region, generating an estimated $2.5 billion in economic activity in the region and $10 billion in the state. This would also stimulate a multiplier effect of economic activity in Illinois.

Illinois has valuable soil conditions that could be used to achieve this economic local food potential. The state contains a large amount of the world's prime farmland thanks to its fertile soil, and McHenry County also has highly suitable soil for farming and food production. Illinois also has other agricultural assets beyond its ideal soil conditions, such as its central location and extensive transportation system, including its freight system and 34,500 miles of state highways. These factors contribute largely to Illinois' success as a national leader in agriculture.

In addition, Illinois has new opportunities to support the growing local food movement, which is evidenced by numerous CSAs and over 3,000 farmers' markets in the state. If Illinois continues this trend of increasing local food production to meet demand, it will be better able to reach its local food economic potential, creating a multiplier effect of economic benefits, including new job opportunities.



National Statistics

The local food movement appears to be taking hold in local communities throughout the country. This indicates a growing interest in and understanding of where our food comes from and who grows it. "There are almost two million farms in the USA and about 80% of those farms are small farms. More and more of these farmers are now selling their products directly to the public."[48] According to the U.S. Department of Agriculture, the number of farmers' markets in the United States increased by 43% in just a five year period (from 2000 to 2005).[49] The USDA also reports that the number of farmers participating at farmers' markets seems to be increasing considerably. Additionally, contributing to the national local food movement, there are over 4,000 Community Supported Agriculture (CSA) operations in place.[50] The location and the seasonal duration of these local operations seem to be important factors in the success of the local food movement. USDA reports show that the majority of farmers

[48] www.LocalHarvest.org
[49] United States Department of Agriculture, Agricultural Marketing Service. (May 2009). *National Farmers Market Manager Survey 2006*.
[50] United States Department of Agriculture. (n.d.) Accessed from http://www.usda.gov/wps/portal/usda/usdahome?navid=KYF_MISSION.

throughout the U.S. are seasonal; however, farmers who operate more than seven months a year experience about three times as high average sales.[51] Thus, national studies recommend that local farms extend their growing season in order to increase average sales.

Issues and Opportunities

The primary issue for local food consumers in McHenry County, including individuals and restaurant operators, appears to be the high price as well as limited variety and quantities of locally sourced food. The issue of price is due to the high costs that small scale farmers face to grow and transport their local food products directly to consumers. However, there are various opportunities on the supply-side for local farmers to save costs, thereby reducing the retail price of their food products. One proactive approach is through cooperative arrangements between local food producers and other participants in the local food movement to share equipment and resources. For instance, the McHenry County Health Department is facilitating cooperative partnerships between restaurant operators and local food producers to allow the producers to access the restaurant's commercial kitchen space during non-business hours. This is a win-win arrangement as local restaurants can potentially gain new income from sharing their commercial kitchen space and farmers can utilize the kitchens' refrigeration, clean running water, and food processing equipment for a greatly reduced cost than purchasing and owning these resources themselves.

With respect to limitations to variety and quantity of local food products, which stymie consumers' purchases of local food, farmers could extend the growing season by using seasonal extension structures like hoop houses to produce higher yields and experiment with diversifying specialty crop production. This would result in the improved variety of local food that McHenry consumer's desire.

Consumers also indicate their lack of knowledge about where their food comes from and where they can purchase locally sourced food in McHenry County. In addressing local food awareness and access issues, increased marketing and promotion of local food by farmers, restaurants, and grocers alike could help local food consumers learn more about where they can buy local food and where it comes from. Online marketing is an innovative way to connect local producers with local buyers and increase efficiency of sales. The Woodstock Farmers' Markets is making a concerted effort to connect customers with local farmers online. If a local grower comes to the farmers' market with an abundance of tomatoes, but does not sell all of them, the internet offers another opportunity for the farmer to connect with a local buyer so his crop won't go to waste.

[51] *Id.*

In addition, online marketing can help local growers connect with local chefs as well as wholesale distributors. This innovative business model has been adopted by online food wholesaler FarmersWeb, located on the East Coast, which allows chefs and shop owners to buy directly from local farmers through this website. This online method is simple and fast, and it appeals to buyers and small-scale growers whose time is in short supply. The FarmersWeb site allows wholesale buyers in New York, New Jersey, and Connecticut to search for local food, including produce, meat and seafood, produced within a certain distance (up to 300 miles) of their stores and has competitive prices to other wholesale food products. The wholesalers, who are required to make an online payment before food goods are exchanged, can then order products directly from the farmer. FarmersWeb does not arrange deliveries, but wholesale distributors and farmers can make their own arrangements to transport the goods. Based on this company's success, this business model seems like a feasible and innovative way to connect farmers with local buyers, which will increase famers' compensation as well as increase the availability of local food products to local customers.

V. Economic Development

This analysis offers an overview of the local food economy at the national, state, and local level. It also offers estimates of existing and potential economic returns from local food production and sales for Illinois. Although there are not specific estimates for McHenry County, existing economic research related to local food systems is applicable to the County, with some limitations. For example, the geographic aspects particular to the County affect the local food economy; specifically, the shorter growing season in northeastern Illinois is an important factor that constrains specialty food production in McHenry County, thereby limiting economic gains. Nevertheless, this analysis identifies economic opportunities for local food producers in McHenry County, and lends a better understanding about how the County can strategically match local food supply with demand. However, further technical economic research would be needed to assess the economic impact, or value, of this specific type of food productivity and measured using an input -output model to fully investigate this correlation. Further research would also be needed to project productivity gained by expanding local fresh fruit and vegetable production to meet expected annual demand.

Consumer demand for locally grown fruits and vegetables is on the rise nationwide, and this demand exceeds supplies.[52] This presents several opportunities for farmers throughout Illinois: expansion of their smaller fruit and vegetable operations, diversification of current crops, opportunity to get into the business for first-time farmers. . The demand for value-added products, including meats and dairy, also continue to grow at a fast pace. However, despite consumer interest in locally grown food, increased production continues to account for a small segment of total U.S. agriculture.

Food and agriculture are significant drivers of economic activity in McHenry County and throughout the state; this includes both commodity and specialty crops. Thanks to favorable geographic conditions, namely prime soils, McHenry County farmers produce nearly one billion total pounds of food per year in the form of commodity grains, beef, hay, and milk. These crops are distributed through commodity channels where prices are subject to broad competitive market forces. Specialty crops, on the other hand, typically sell direct to consumer at higher retail market prices, but on a much smaller scale than commodity crops. Given the two different pricing systems, there is an opportunity to capture and grow a larger share of County food dollars by continuing to support a robust commodity market, and by further developing and promoting locally grown and sourced foods instead of importing food products for

[52] Krajovic, Michael and Bob Junk. (2012). Growing Food to Grow Local (and National) Economies. International Economic Development Council.

consumption. This does not mean a shift away from conventional farming, but rather working to change consumer consumption choices.

In fact, Illinois consumers spend $48 billion on food each year. However, of that $48 billion, only 4% is generated from local food purchases.[53] This means that the majority of food products are imported, and likewise food dollars leave the state, representing lost economic potential and returns for Illinois farmers and businesses. Only about 7% of the dollars spent at chain grocery retailers stay within that given community; the other 93% of the money goes to pay processors, packagers, distributors, wholesalers, and truckers, all of which are often miles away or out of state. By contrast, buying products directly from a farmer sends 90% of those food dollars back to the farm, keeping revenue within the local community.[54] Therefore, local food systems have tremendous economic potential. In fact, one economic study projected that a 20% increase in local food production, processing, and purchasing could generate $20 to $30 billion in new economic activity each year for the state of Illinois.[55]

In addition to generating food dollars, local food systems also serve as a source of job creation and create an economic multiplying effect. Economic "multipliers' vary according to the type of underlying economic activity (e.g., retail pre-packaged goods, wholesale manufactured goods, and primary industry goods such as mining and agriculture). The multipliers most typically applied to agricultural retail unprocessed food sales fall within a range of 1.6 to 1.7. That is to say, for each additional dollar generated in agricultural sales in an area, an additional 60 to 70 cents is generated in further direct and indirect economic activity. [56]

In his "*Selected Measures of the Economic Values of Increased Fruit and Vegetable Production and Consumption in the Upper Midwest*" published in 2010, Swenson estimated the multipliers for "Illinois Farm-Level Fruit and Vegetable Production" as 1.65 for 'output' (total economic output) and 1.67 for 'jobs created' (i.e., for every job created, 0.67 FTE of another job is also created).[57] This study demonstrates the economic potential of a successful local food system in Illinois.[58]

[53] Illinois Local and Organic Food and Farm Task Force. (2009). Local Food Farms and Jobs: Growing the Illinois Economy.
[54] Sustainable Table. (2009). "Why Buy Local?" Accessed from http://www.sustainabletable.org/issues/whybuylocal/#econ
[55] Illinois Local and Organic Food and Farm Task Force. (2009). Local Food Farms and Jobs: Growing the Illinois Economy.
[56] Swenson, David. (2010). Selected Measures of the Economic Values of Increased Fruit and Vegetable Production and Consumption in the Upper Midwest. Research Department of Economics, Iowa State University, Ames: Leopold Center for Sustainable Agriculture.
[57] *Id.*
[58] See Appendix for additional charts from Swenson's analysis

Table 9: Farm-Level Economic Values of Fruit and Vegetable Production for Statewide Sales

State of Illinois Farm-Level Economic Values of Fruit and Vegetable Production					
	Direct	Indirect	Induced	Total	Multiplier
Output	263,950,323	86,688,680	84,997,216	435,636,227	1.65
Value Added	127,558,152	44,716,188	49,064,504	221,338,848	1.74
Labor Income	69,162,656	24,348,676	27,015,164	120,526,488	1.74
Jobs	1,554.7	429.7	615.8	2,600.2	1.67

Source: Swenson, Table 9 from *"Selected Measures of Economic Values of Increased Fruit And Vegetable Production and Consumption in the Upper Midwest*

Local food initiatives are relatively new in Illinois. As a result, there is heavy reliance on out-of-state information with which to compare economic opportunities. Information about nearby metropolitan markets in the Midwest is especially helpful as a reference point for Illinois' local food markets. Dave Swenson's study about the multiplier effect offers cutting-edge research about the economic impact of local food that is relevant to Illinois.

As part of this economic impact analysis, the Task Force considered the following in McHenry County and in the region: available market channels; emerging trends within those market channels; the market value of local food products being sold to local consumers; and population growth projections. County. This information could be augmented with further economic research and analysis in order to better understand how to match local food supply and annual demand expectations in McHenry County.

The U.S. food marketing system is made up of five broad stages of economic activity: production; processing and manufacturing; distribution (wholesaling and retailing); and consumption.[59] This analysis primarily focuses on distribution of local food products at the retail and wholesale level, which indicates the available market channels and potential economic returns for specialty growers and food producers. Before reviewing channels it is important to reflect on McHenry County's total agricultural production to know what food and non-food products are produced in the County and potentially available for market distribution.

[59] USDA, AURI, Local Foods Market Report

McHenry County Agriculture Production

There are a total of 2,084 agribusinesses in McHenry County that employ approximately 14,842 individuals. There are 560 farms with grains, oilseed, dry beans and dry pea production. Three hundred and thirty seven of those farms have sales of $50,000 or more. There are 82 farms with vegetables, melons, potatoes and sweet potato production. Twenty-five farms produced fruits, tree nuts and berries. Four of those farms have sales greater than $50,000. There are 116 farms with nursery, greenhouse, floriculture and sod operations. Fifty eight of those farms have sales greater than $50,000. There are 21 farms with Christmas trees and short rotation woody crops. Three of those farms have sales greater than $50,000. There are 336 farms producing other crops and hay. There are 63 farms raising hogs and pigs. Nineteen of those farms have sales greater than $50,000. There are 70 farms producing milk and other dairy products from cows. Forty four of those farms have sales greater than $50,000. Two hundred and eighteen farms produce cattle and calves. Thirty of those farms have sales greater than $50,000. Seventy farms produce sheep, goats. Ninety five farms produce poultry and eggs. Two of those farms have sales greater than $50,000.[60] According to McHenry County Farm Bureau, there was a total of 215,584 acres in the County devoted to agriculture use, of which 1,896 acres are used for vegetable production. There are 13 farms with certified organically produced commodities. [61] There are also 145 acres of organically grown, but not certified farms, and an additional 57 acres converting to organic production.

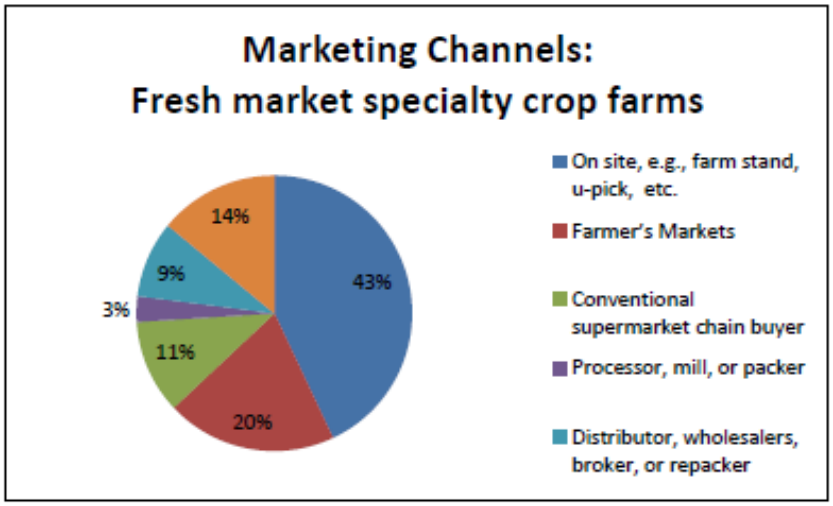
As one can see, McHenry County already has strong agricultural production, allowing great potential to develop a local food economy that would keep food dollars and agricultural jobs within the region. However, one limitation to bear in mind throughout this analysis is the limitation of the growing season in Illinois. Because Illinois' natural climate brings harsh winters not suitable for growing crops, jobs created through local food production may be largely seasonal and income of farm employees may need to be supplemented through additional work. Though this is an obstacle, the growing season may be partly extended through the use the hoop houses. Canning and freezing of local produce could also extend sales through winter months, And since poultry, meat, and dairy production do not have the same seasonal limitations, local food production can still be a viable economic enterprise for Illinois.

Overview of Market Channels

There are several traditional and new market channels for the distribution of local foods. There are grocery stores, wholesalers, brokers, restaurants, schools, specialty stores, state institutions, hospitals, direct to consumer, colleges and universities, foodservice distributors,

[60] Ag Food and Fiber Sector Data, Dun & Bradstreet Corporation; and, Census of Agriculture Data
[61] *Id.*

agritourism, mobile retail units, farmer owned stores, farmers' markets, farmer cooperatives, food hubs, and others. Both retail grocery stores and foodservice operators purchase their foods primarily, but not exclusively, from wholesalers or distributors, or directly from large commercial growers. Many retailers now have their own warehouses and serve both as a wholesaler and distributor for their own stores. In recent years, more grocery retailers are working directly with local and regional farmers. Restaurants are taking direct restaurant deliveries to accommodate their own demand for local food, especially for locally grown fresh fruits and vegetables. Some restaurants, partially fine-dining restaurants, have been actively pursuing local meats and dairy. Another market channel is direct-to-consumer. Direct-to-consumer outlets for local food can include farmers' markets, Community Supported



2010 Specialty Crop Survey, USDA-NASS, IL FO

Agriculture (CSA), agritourism, pick-your-own, roadside stands, etc. Direct-to-consumer food sales in the United States grew 37% between 1997 and 2002; In the last ten years, it has grown 104.7%.[62] This growth level is significant and clearly demonstrates consumer demand.

Based on data from the 2010 USDA-NASS Specialty Crop Survey, we can determine the most utilized marketing channels for specialty crops in Illinois as a whole. Forty-three percent of the farms marketing specialty crops sell through on-site operations such as farm stand, u-pick, etc. Twenty percent of the farmers sell through farmers' markets. Eleven percent of the farmers sell through conventional supermarkets. This number is estimated to grow as marketing and distribution infrastructures are created for smaller farmers. Nine percent of the farmers are selling through distributors, wholesalers, brokers and re-packers. Therefore, growth of sales at the retail level is most important to the economic success of local food producers.

[62] United States Census Bureau. *2010 Census.*

Wholesale Sales

Grocery Retailers

Many grocery stores are increasingly focusing on specific lines of groceries, such as only organic foods, and often cater to particular groups of people based on the market niche. At one time, organic foods were only found in health food stores, but increasing demand for organic and locally grown among retailers and consumers has led to increased shelf space and prominent positioning at traditional grocery stores. In fact, Wal-Mart recently doubled its local food sourcing to about 10 percent. Furthermore, the organic food market is growing around 8 percent per year, nearly twice as fast as non-organic.[63]

In Illinois, there are approximately 2,784 grocery stores. Grocery stores include traditional retail stores that sell groceries and convenience stores that also sell groceries. In addition, there are 244 health food stores that supply health aides, natural foods, health and diet foods, and organic foods. There are 294 grocery stores in McHenry County and 23 health food stores.[64] The grocery store mix includes nationally, regionally and independently owned stores.

Meeting inventory demands for the grocery store channel can be a huge challenge for local and regional farmers. However, some grocery retailers like Schnucks, Hy-Vee, and Wal-Mart are opening their procurement doors by establishing relationships with farmers and accepting direct store deliveries. Regionally and locally owned grocery stores are not only opening their doors to local and regional farmers, but are rethinking how they merchandise local foods. The competition among retailers is great, and they are racing to somehow differentiate themselves from the competition. Consumers cast their vote through their purchasing dollars, and many consumers want locally grown products. This is evident with the increasing numbers of farmers' markets, CSA's, and stores dedicating more shelf space to local fresh fruit and vegetables. Therefore, we can anticipate growing demand from grocery retailers for locally produced specialty crops in the future; an opportunity for local food economies to grow.

While retail grocery stores are a viable and growing market channel for local farmers, there are inventory demand-related obstacles. Store buyers are interested in locally grown produce given two major conditions: acceptable quality and quantities that would, at least, partially fill their volume requirements. Supermarket chains in particular tend to stress uniformity of stores: if you can find a product in one store, you should be able to find it in all their stores. This is a major obstacle for smaller farmers, since often they do not have the necessary volume to fulfill buyers' supply needs. However, independent grocery store buyers are more willing to work

[63] Krajovic, Michael and Bob Junk. (2012). Growing Food to Grow Local (and National) Economies. International Economic Development Council.
[64] IRC, Illinois Farm Bureau, 2012 Compiled from Sales Genie data

with farmers who may have limited volumes of inventory. In order to foster fruitful relationships between grocery store operators and farmers, their interests, needs, and constraints must be in balance. Some of the needs of grocery stores include: high quality products provided on a consistent and dependable basis; good communication between farmer and retailer; extended season for local produce; liability insurance anywhere from $1 to 5 million in coverage; adhering to a Good Agriculture Practice (GAP), and a traceback program.

These requirements of grocery stores and super markets can pose challenges for small scale farmers. For instance, certification requirements or public health regulations can require farmers to have farms or cooking facilities inspected and certified as compliant by a third-party; and this is often cost-prohibitive for small scale farmers. One is Hazard Analysis and Critical Control Point (HACCP), a set of industry-developed food-handling rules intended to prevent contamination from pathogens like E. coli.[65] Another requirement may include having proof of an approved GAP third party certification which can also be cost-prohibitive for many farmers, especially those growing small in-season fruits and vegetables. Despite the obstacles to farmers selling locally produced food to retailers, there are solutions. For example, if a farmer does not have enough supply, then possibly an aggregated supply process such as a food hub may accommodate the retailers' supply needs. (Food Hubs will be addressed further later on in this section).

Foodservice

The foodservice sector is made up of school foodservice, colleges, businesses (companies with cafeterias serving employees breakfast and lunch), hospitals, and restaurants (fine dining, casual, and quick serve) that serve food on their premises. The foodservice sector represents a multi-billion dollar industry. Illinois restaurants alone are projected to register $20.6 billion in sales in 2012.[66]

Within the colleges and universities segment, nearly one-third of the institutions outsource the serving of food on campus to foodservice management companies. These companies—such as Sodexho, ARAMARK, and Bon Appétit —bid for the opportunity to prepare and serve food to students and faculty. The foodservice management companies negotiate a two-to-five-year contract with the institutions and then manage the entire foodservice operation for the cafeterias, kiosks, and on-campus catering. The other two-thirds of institutions manage their foodservice operations in-house.

[65] USDA, AURI, Local Food Market Report
[66] 2012 Restaurant Industry Forecast, National Restaurant Association.

Primary and Secondary School Foodservice

The National School Lunch Program provided lunch to more than 31 million children each school day in 2011.[67] This remarkable statistic indicates the major role that foodservice plays in the nation's school system and the influence it has on students' health and well-being. With childhood obesity on the rise, many parents and communities have been advocating for healthier school lunches. The passage of the *The Healthy, Hunger-Free Kids Act* in 2010 was a landmark win that secured historic reforms to school meals and improved the school food environment. One of the Act's provisions is to increase the amount of fruits and vegetables being served in school meals, which creates an additional opportunity, with political support, for local farmers to sell their produce.

With the passage of this act, some schools have become interested in sourcing fruits and vegetables directly from farmers. Although direct farm purchasing of local foods represents a smaller percentage of total school foodservice purchasing, local sourcing of farm-to-school programs has grown rapidly over the last decade, even before *The Healthy, Hunger-Free Kids Act of 2010*. For instance, Chartwells-Thompson, a foodservice contractor that purveys food to Chicago Public Schools (CPS), has recently been incorporating more local fruits and vegetables sourcing as well as antibiotic-free chicken.

Farm-to-school program advocates have asserted that school food service represents a substantial and stable market for small and mid-size family farmers who could sell their products directly or indirectly to schools. With regards to distribution, there are six possible distribution channels that can satisfy transportation to school cafeterias: school foodservice procurement agents can negotiate purchases with broadline foodservice distributors; specialty distributors; foodservice management companies that have oversight on school districts' nutritional services; farmers' markets; Community Supported Agriculture programs (CSA); or directly with farmers. Countless experiences nationwide show that connecting schools with local farms and increased sourcing of local food can contribute to a positive shift toward healthy eating and facilitate a greater understanding of agriculture. A few small steps have been taken in Illinois by various organizations over the past two to three years linking farmers with school foodservice purchasing agents, either directly or indirectly. However, there has not yet been a comprehensive long-term plan developed that takes into consideration marketing, distribution, and production needs that can withstand long-term supply demands.

As with retailers, farmers do face some obstacles in selling their products to schools, mainly related to pricing issues and growing season. With respect to pricing issues, schools typically use a bid system for purchasing food. Schools by nature are very price sensitive due to their

[67] United States Department of Agriculture. (2012). National School Lunch Program Fact Sheet.

small food budgets. This can be a major barrier for a farmer who does not have the same economies of scale as would a large commercial producer. However, the economies of scale issue may be circumvented through the use of food hubs. Further, another challenge is that the local production season is out of sync with the current school year in McHenry County; vegetable production peaks in the summer and not in the fall, winter or spring when school is in session. One solution could be to explore transitioning to a year round school calendar, in which case, local specialty crop farmers could realistically sell to school districts. Currently, local producers of milk, eggs, chicken, pork, beef, and storable fruits and vegetables like potatoes and onions can sell still year round to schools in McHenry County, as they do not face the same seasonality hindrance. This provides a significant market for local farmers.

Colleges and Universities Foodservice

Many colleges and universities, including in Illinois, utilize foodservice contractors such as Sodexho to manage their foodservice operations. These large contractors obtain food through bulk purchases with outside food management companies at low prices; however, fresh produce has typically not been included in these contracts, presenting an opportunity for local growers to expand their operation. With student demand for locally grown food on the rise, many food management companies have begun to source produce from local farmers. [68]

However, there can be considerable challenges when smaller farmers attempt to market their locally grown products to collegiate foodservice operations: low prices and convenience can be more important than the value of supporting local farmers; smaller growers face challenges in the delivery system, such as timeliness and consistency of deliveries; costly requirements such as liability insurance, third party GAP certification, and requirement for a HACCP plan for handling food products can be cost-prohibitive. Furthermore, the seasonal availability of many fruits and vegetables in Illinois run counter to the school year and this proves to be an obstacle for local farmers. Despite these challenges, many college food service directors want to buy food locally, but they do not know how or where to get it. Linking growers and food service personnel is a basic, critical step in creating locally grown food systems on college and university campuses. Building these linkages can help growers boost sales. These types of relationships are already taking root in McHenry County such as at McHenry County College and Loyola's campus where both institutions have culinary arts programs and source food locally for their student run restaurants. This has created an important precedent in the County and regionally by demonstrating that it is feasible for a college to source local produce.

[68] USDA, AURI, Local Foods Market Report

Restaurants

Of the 524 restaurants in McHenry County, there are 236 family/full services restaurants. There are 18 fine-dining establishments with an over $15.00 meal menu price.[69] Fine-dining restaurants or independently owned restaurants can be great places to sell local produce that are high quality and fresh. After speaking with local chefs in McHenry County, including from Duke's Ale House and Slainte Restaurant, the Task Force learned that they buy from local farmers because of the quality and freshness of the food, good relationships with the farmers, customer requests for local products, and the availability of unique or specialty products.

The growing trend of upscale restaurants serving locally grown produce is in the headlines nationwide. In 2008, 89% of fine-dining operators throughout the country served locally sourced food items.[70] According to a survey conducted by the National Restaurant Association conducted in 2012, locally sourced meats and seafood was the number one trend in fine-dining restaurants. Locally grown produce was the number two trend. Sustainability was number three. There are several benefits to selling directly to restaurants: great market for smaller quantities of high quality items; creates an opportunity to build a strong relationship between the farmer and chef; the farm may be highlighted on the menu and in the media; higher price point is often available; restaurants can take non-standard sizes; and, products may not need to be sorted and graded.

The obstacles chefs have in sourcing locally grown food are related to distribution and delivery– getting the right product and quantity to the right place at the right time. Some chefs find limited availability and variety are also barriers to using local foods. However, a chef that values the benefits of local sourcing and is willing to take the extra steps to develop a relationship with the farmer is the best guarantee of success. Farmers also must understand their reciprocal responsibilities. Whether providing a single ingredient for a special event or supplying a vast array of produce for the menu, the grower needs to understand the interdependence of supply and expectations in the kitchen.[71]

Given the benefits of sourcing locally produced food for both farmers and restaurants, this market channel has great growth potential and would facilitate the growth of McHenry County's local food economy.[72]

[69] Urban Spoon, September, 2012
[70] National Restaurant Association, 2012
[71] USDA, AURI, Local Foods Market Report
[72] Adam, 2006

Retail Sales

Community Supported Agriculture (CSA)

Community Supported Agriculture (CSA) is a partnership of mutual commitment between a farm and its members. Member fees cover a farm's yearly operating budget in return for a share of the season's harvest. Hence, CSA members share with the farmer the costs and risks of farming for the season, as well as the harvest.

The number of CSAs in the country has grown exponentially. In 1986, there were two CSA operations in the United States. As of 2010, Local Harvest, an online registry, estimates that the number of CSAs exceeds 2,500; these are concentrated regionally in the Northeast, in the Great Lakes Midwest region, and along the western coast.[73] There are 70 reported CSAs in Illinois. In recent years, some farmers have collaborated to form a joint CSA. "The advantage of a multi-farm CSA is that farms can focus on specialty crop production to provide more variety in the total share."[74]

CSA's are yet another avenue through which McHenry County farmers, and farmers nationwide, can market and sell their produce to local buyers, while keeping money within the local economy.

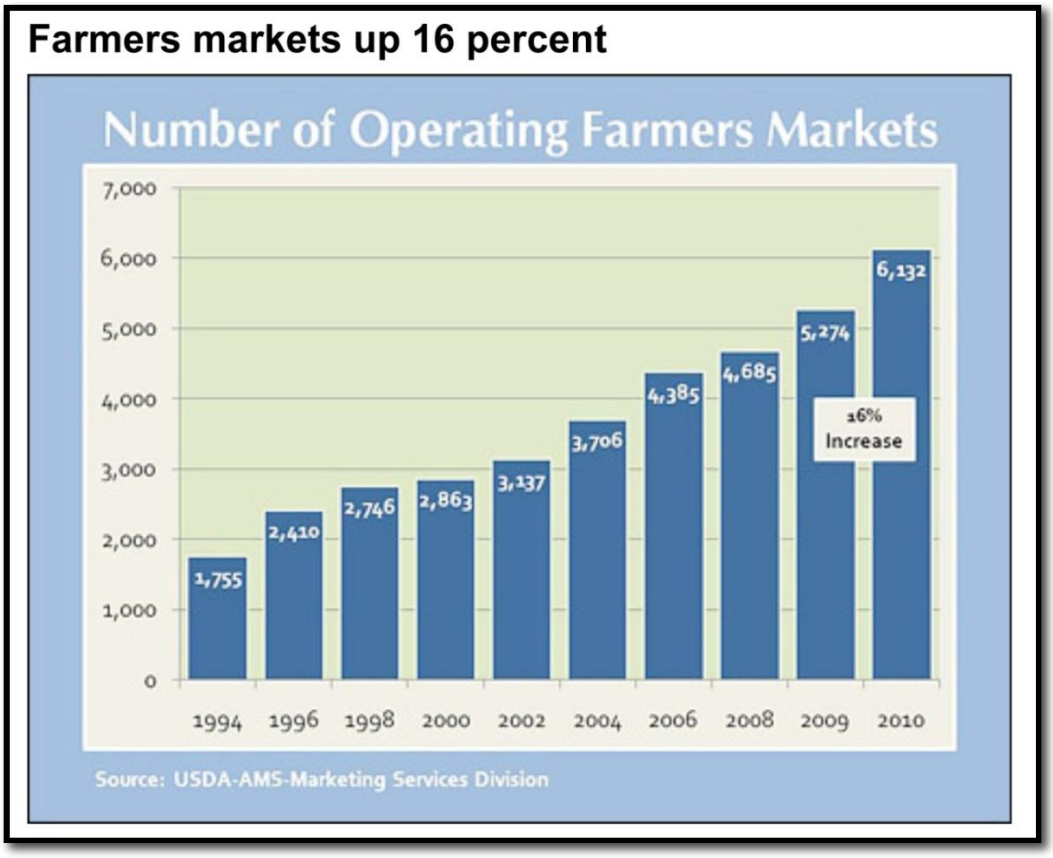
Farmers' Markets

Farmers' markets are part of a locally grown food system that can be good for both farmers and communities. Consumers gain access to locally grown, farm-fresh produce and get the opportunity to know the farmer who grows it. The market can benefit other local businesses by attracting shoppers to town. A farmers' market can also promote a sense of community spirit. Some markets offer workshops and demonstrations on good nutrition, safe food preparation and gardening techniques. Some markets invite musicians or artists to perform during the market, creating an experience that goes beyond just shopping for food. Farmers' markets have increasingly been viewed as a tool to fill a unique niche that delivers both economic and social benefits. First, they must become economically sustainable and in many cases this has required some form of external financial support.

The farmers' market sector has grown dramatically over the last ten years, more than doubling from 2,863 markets in 2000 to 6,132 in 2010. In 2011there were 7,175 farmers' markets, a

[73] Local Harvest, 2010
[74] USDA, ERS, Local Food Systems, May 2010

jump of 17 percent over 2010.[75] According to Illinois Department of Agriculture, there are currently 350 registered farmers' markets in Illinois.



The viability of individual markets depends on attracting vendors and customers. As the number of markets grows, there is greater likelihood of any given market overlapping with other markets creating potential competition for vendors and customers. Consequences could include declining or stagnant economic performance, possibly leading to some markets faced with closing altogether if they are unable to attract vendors and customers. The economic impact of any given farmers' market should be determined by considering gross receipts of the market, number of farmers in attendance, neighborhoods in which shoppers reside, dollars consumers spend at nearby stores, and frequency of consumers' market attendance.

Farmers' markets have both direct and indirect economic impacts. Examples of direct benefits include profits to market vendors, job creation, and sales and real estate tax revenue. The indirect benefits include the stimulation of surrounding businesses and farmland preservation. The total economic impact of a particular farmers' market depends largely up on the size of the

[75] USDA-AMS Marketing Services Division

market, the community in which it is located, and the duration of months for which it is open for business.

According to the 2006 National Farmers' Market Manager Survey, farmers' markets are open an average of 4.5 months per year. Farmers' markets that were open six of fewer months per year attracted fewer vendors and generated less revenue than those open seven months or more. In addition to the number of months a farmers' market is open, location is also a determining factor in market performance. Most high-grossing markets are located in densely populated urban areas, as more customers frequent the market. Furthermore, markets which feature organic products tend to report larger numbers of weekly customers and higher sales than those that do not.[76]

The total economic impact of a market does not stop at the market gate but extends into the community in the form of increased traffic and sales at adjacent businesses, increases in property values and improvements in livability ratings. To better determine how local and regional food initiatives impact the community, various sources of information can be helpful: interviews with vendors and customers, sales at comparable retail outlets, information supplied by wholesalers and businesses in the market, and police estimates of attendance. For instance, the Woodstock Farmers Market survey referenced in the Demand Section helps indicate the level of consumer demand for fresh fruits and vegetables in McHenry County.

Urban Farmers' Markets

Farmers' markets in urban cores face intense competition for both vendors and customers, and those in peri-urban regions adjacent to the largest metropolitan counties experience medium to high competition.[77] McHenry County is adjacent to the Chicago area; this may attract farmers residing in McHenry County to become vendors in this marketplace. Although farmers may capture higher price points from urban shoppers in the Chicago area than they would in their own County, and there are a greater number of farmers' markets for farmers to choose from, competition from other farmers geographically located adjacent to this metropolitan market is great. However, while farmers may be able to make more money at farmers' markets in Chicago or other large metropolitan areas, they may resist the opportunities because they do not want to incur transportation and transaction costs, and the added time it takes to travel to and from the market. When farmers travel outside of McHenry County to sell, the economic impact of sales results in revenue acquired outside of the County. In this case, he economic benefit may be greater for the farmer, but little else will the community other than

[76] United States Department of Agriculture. (2006). *National Farmers' Market Manager Survey, 2006*

[77] Mapping Competition Zones for Vendors and Customers in U.S. Farmers' Markets, September 2011, USDA-ERS, pg 4

sales of such things as fuel, supplies, equipment and overhead that the farmer may incur while working in the County.

Rural Farmers' Markets

Rural farmers' markets, which serve areas with smaller populations, will require fewer farmers to serve them, and fewer overall markets per geographic area. Customers will typically visit one only market in a day or week. It will be important for a County farmers' market to do what they can to keep farmers who reside in their County to remain in their County to participate in local farmers' market as opposed to traveling out of the area.

McHenry County's Farmers' Markets

In 2011 there were five farmers' markets in McHenry County that had registered with the Illinois Department of Agriculture. They were Cary, Crystal Lake, Harvard, Huntley, and Woodstock. They all operate on a seasonal basis, opening typically in May and operating until the end of October. They sell a variety of fresh produce, farm fresh meats and eggs, cheeses, baked goods, fruit pies, dressings, jams, honey, specialty foods and more.

Agritourism

Agritourism, or farm related business, is another retail outlet for local farmers and food producers. It is a growing sector in McHenry County as local food operators realize the potential economic returns from this type of business. These businesses are frequented by locals, and by people who come to the County on a seasonal basis. Given McHenry County's location close to Cook County, the largest metropolitan area in the Midwest, agritourism offers a significant market opportunity. Additional advertising may help to motivate consumers to travel to McHenry County for agritourism. County

There is some data about the aggregate economic impact of agritourism in the country, which is primarily collected and generated by the U.S. Department of Agriculture's (USDA) Census of Agriculture. However, the USDA's Census questionnaire leaves the definition of agritourism open to interpretation, describing it as "farm or winery tours, hay rides, hunting, fishing, etc." and the data the Department collects depends on what the individual farmer reports.[78] There was just a little under $12,000,000 in total income from agritourism and recreational services in Illinois in 2007 compared to a little under $4,000,000 in 2002 according to the USDA, National Agricultural Statistical Service. The total per farm more than doubled from 2002 from a little

[78] Camille Phillips. (2012). When Midwest farming intersects with tourism, cautious optimism prevails. Accessed from http://harvestpublicmedia.org/article/1319/midwest-farming-intersects-tourism-agritourism/5.

over $5,000 to approximately $18,000. Thirty-five percent of farms involved in agritourism in 2007 had less than $5,000 of agritourism income.[79]

Agritourism can be an essential avenue for farmers who wish to supplement their sales of food with additional revenue. This source of revenue is especially important in Illinois, where climate limits the growing season and can inhibit the full economic benefits of local food production.

Local and Regional Food Hubs

Even though they are relatively new, local and regional food hubs are having significant economic, social, and environmental impacts within their communities; they demonstrate that innovative business models can be financially viable and have positive community impact. From a purely economic standpoint, they are showing impressive sales performance. They are also helping to retain and create new jobs in food and agricultural sectors.

Many farmers and ranchers are challenged by the lack of distribution and processing infrastructure of appropriate scale that would give them wider access to retail, institutional, and commercial foodservice markets, where demand for local and regional foods continues to rise. There are three primary reasons why this lack of infrastructure stifles the development of regionally based food systems.[80]

1. *Limited Market Options and Revenue Opportunities*: "Although many smaller farmer and rancher operations have taken advantage of direct-to-consumer marketing outlets (such as farmers markets, farm stands, and Community Supported Agriculture) to sell their products, they often lack the volume and consistent supply necessary to attract retail and foodservice customers. This problem is particularly acute for operators of mid-sized farms, who are too large to rely on direct marketing channels as their sole market outlet, but too small to compete effectively in traditional wholesale supply chains."[81]

2. *Marketing Capacity*: "Producers often do not have the available capital or access to facilities to store, process, and distribute their products. Furthermore, due to limited staff or lack of experience, they are not always able to devote the attention necessary to develop successful business relationships with key wholesale buyers, nor do they have the resources to develop an effective marketing strategy by themselves."[82]

[79] USDA-ERS, Mapping Competition Zones for Vendors and Customers in U.S. Farmers' Markets
[80] United States Department of Agriculture, Agricultural Marketing Service. (2012). *Regional Food Hub Resource Guide.* Accessed from http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5097957.
[81] *Id.*
[82] *Id.*

3. *High Transaction Costs*: Wholesale buyers often find it too costly to purchase products directly from a number of different farms and prefer to reduce transaction costs by buying product from distributors.

Economic Impacts (Background Studies)

Food hubs can help boost local and regional economies through a variety of means. Specifically, food hubs make the production and sale of local food on a larger scale possible while also creating jobs and increasing business tax revenue. Many recent economic impact studies have demonstrated the economic benefits of shifting food purchases to local food. "A study conducted in Northeast Ohio found that if the 16-County Northeast Ohio Region were to meet 25 percent of its need for food with local production, it would result in 27,664 new jobs, providing jobs for 1 in 8 unemployed residents, as well as increase annual regional output by $4.2 billion and increase State and local tax collections by $126 million." Another recent study examined the economic feasibility of a food hub in southern Wisconsin and found that a food hub operation operating at full capacity has the potential to create 400 jobs and generate an additional $60 million in the local economy. It would also have the capacity to serve approximately 50 farm businesses, potentially increasing their overall farm revenue from $900,000 to $1.8 million.

Many food hubs around the country have already demonstrated their significant economic capabilities. Based on the 2011 NFHC survey, existing food hubs gross nearly $1 million in annual sales on average, and many have seen considerable growth each year. "The Oklahoma Food Cooperative, which started in 2003 with 36 consumers and $3,500 in sales in its first month of operation, now generates about $70,000 in monthly sales of products from approximately 200 producers. In addition, from 2007 to 2008, it saw a 52 percent increase in gross revenues; in some months it saw annual increases in sales revenue of as much as 80 percent. The Local Food Hub (LFH) in Charlottesville, VA, opened in July 2009 and ended that year with $75,000 in sales. In 2010, LFH grossed $365,000 and is on track to nearly double this in 2011 with $675,000 in annual gross sales. Vermont's Intervale Food Hub has grown from $93,000 in gross revenue in 2008 to an expected $400,000 by the end of 2011. Intervale is currently implementing plans to expand its warehouse facility to accommodate this market, with the expectation of surpassing $1 million in sales by 2015."[83] As one can see, food hubs have been demonstrated to be successful business ventures with tremendous revenue generating capacity.

Not only do regional food jobs create jobs by employing people directly, but also by supporting agricultural job opportunities throughout the region.

[83] *Id.*

Job Creation Resulting from Regional Food Hubs

Though job creation varies with the size and scope of the food job, the 2011 National Food Hub Collaboration Survey reported that food hub themselves create an average of seven full-time jobs and five part-time jobs. As food hubs grow to serve more famers and buyers, job opportunities increase. One case study which demonstrates the impact that food hubs can have on job creation is that of Organic Valley's CROPP Cooperative, the largest organic dairy cooperative in the US. Though the dairy cooperative began with only seven dairy farmers, it has grown tremendously. "CROPP currently has more than 530 full-time employees. It buys from and promotes its 1,650 producers nationwide. Despite its national presence, its business model has a strong emphasis on linking regional supply to regional markets. For example, CROPP works with producer pools from specific geographic regions to produce and distribute Organic Valley Brand© milk regionally as much as possible and identifies the region in which the milk was produced on each milk carton. CROPP has been around for years and started out mainly as a dairy cooperative and should stand alone as a dairy cooperate case study."[84]

Retaining and Creating Other Agricultural Jobs and Businesses

Not only do food hubs create jobs by employing people to work at the hub itself, but it also supports agricultural jobs throughout the region by making farming more profitable.

For example, since its inception in 2007, Green B.E.A.N. Delivery, a food delivery service which operates in Indiana, Ohio, and Kentucky, has invested an estimated $2 million in local food economies and has created more than 100 jobs throughout the region. The Local Food Hub of Charlottesville, Virginia has reinvested more than $850,000 back into the local economy through sourcing produce from local farmers. Sales of local area farms have increased thanks to the Local Food Hub's purchasing, distribution, sales, and accounting services. Therefore, food hubs and farmers enjoy a mutually beneficial relationship.[85]

Market Access and Reliability

In some cases, food hubs are creating agricultural jobs by directly helping farmers establish their business. For example, in 2009 and 2010, the Agriculture and Land-Based Association of Salinas, California provided land and equipment to 39 small farm businesses, spurring $2.5 million in combined gross sales and creating more than 100 full-time and part-time jobs on the farms themselves.[86]

[84] *Id.*
[85] *Id.*
[86] *Id.*

Food Hub Conclusions

Food hubs are an essential component of a successful local food economy. Not only do they spur economic activity by facilitating the sale and distribution of local food through community aggregation, but they also are a source of jobs themselves. As demonstrated by case studies from around the country, the creation of a food hub in McHenry County has the potential for profound economic impacts.

Are Regional Food Hubs Economically Viable Business Ventures?

According to Farm Bureau analysis, of 20 food hub operators that participated in telephone interviews, 17 indicated that they were already economically viable businesses, meaning that revenue generated from sales covers the core operational costs of aggregating, distributing, and marketing food products, or were well on their way to achieving this. Ten of these food hubs identified themselves as economically viable businesses at the time of the interview, five estimated that they would likely break even financially within 1 to 3 years, and two others stated more generally that they were "very close" to break-even status or "on track" to get there in a short period of time. Based on the profiles of the food hubs interviewed, the viability of a food hub was not based on geographic location or type of legal structure (such as privately held company, cooperative, or nonprofit). However—and not surprisingly—food hubs that had been in business for a longer time were more likely to say that they were already economically viable. The median years of operation for economically viable food hubs was 9.5 years, compared to only 5 years for food hubs that are not yet economically viable. It is also worth noting that all the economically viable food hubs reported minimum gross sales of $1 million per year and median gross sales of $6 million per year, compared to a median of $500,000 in gross sales for food hubs that had not yet achieved economic viability.

While most food hub operators reported being optimistic about their future economic viability, they were still concerned about how they will manage their future business growth. Several food hub operators cited the need to invest in additional infrastructure, such as larger warehouse space, more trucks, more sophisticated IT platforms for transactions and logistics, and additional cooler and freezer units. They did not foresee being able to make these investments without relying on external support. Several food hub operators also stated that their reliance on in-kind contributions, such as free warehouse space and labor will need to be addressed in order to achieve long-term viability. As one food hub operator stated, "We're getting space that we can use—1,500 square feet—and we have it free…We're not bouncing checks, we have money in the bank, but we are not exactly economically viable because we are not paying for the full cost of our business." Another food hub expressed its need for growth like this, "We need to increase sales and provide more revenue to cover costs. That includes the

cost of salaries. There will always be an element of volunteer contributions, but we need to get a workforce that is paid." Another challenge for many food hubs is investing in growth while supporting their broader social missions, such as supporting small and mid-sized producers and helping to improve food access to the underserved.[87]

Conclusion: Market Channels

While there is already some local food production in McHenry County, there is tremendous room for expansion of the County's local food economy through a variety of market channels, many of which remain largely untapped. Case studies from the region and around the nation demonstrate that local food production and sales have strong economic potential through stimulating job creation, generating revenue, and spurring additional growth of already-existing businesses. Through the production, distribution, and sale of locally grown food within McHenry County, significant economic impacts may be realized.

Population Growth and Employment Trends in McHenry County

According to 2010 census data, the population of McHenry County increased 177% since 1970, with the 2011population being approximately 309,229. This increase in population necessitates an increase in food supply, which can potentially be partially met by local production. Furthermore, though employment grew between 1970 and 2010, there was a recent, slight downturn in employment between the years of 2008 and 2010. Local food production is one way to address lack of employment opportunities in the County; as mentioned previously, Illinois fruit and vegetable production has been estimated to have to a multiplier output of 1.67.[88] Local food production creates jobs by creating demand for farm workers, packagers, food hubs, and distributors. In fact, Swenson's study suggests that local fruit and vegetable production has the potential to create a greater number of jobs than commodity corn and soybean production on the same amount of acres. Swenson lays out two economic impact scenarios. In his first scenario, considering all industrial linkages, 9,302 jobs are created region-wide through fruit and vegetable production on 270,025 acres. Corn and soybean production on those same acres would support 2,578 jobs. In Swenson's second scenario, 195,669 fruit and vegetable acres were estimated to support 6,694 jobs, considering all relevant multipliers.[89] Commodity production on those same acres supported 1,892 jobs. Therefore, local food production in McHenry County could both increase food supply and create jobs for a growing population.

[87] *Id.*
[88] Swenson, David. (2010). Selected Measures of the Economic Values of Increased Fruit and Vegetable Production and Consumption in the Upper Midwest. Research Department of Economics, Iowa State University, Ames: Leopold Center for Sustainable Agriculture.
[89] *Id.*

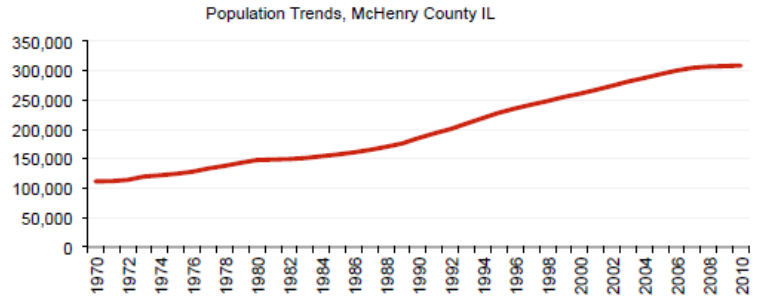
The following charts depict the total McHenry County population, employment and real personal income trends from 1970-2010.

Total Population, Employment, & Real Personal Income Trends, 1970-2010

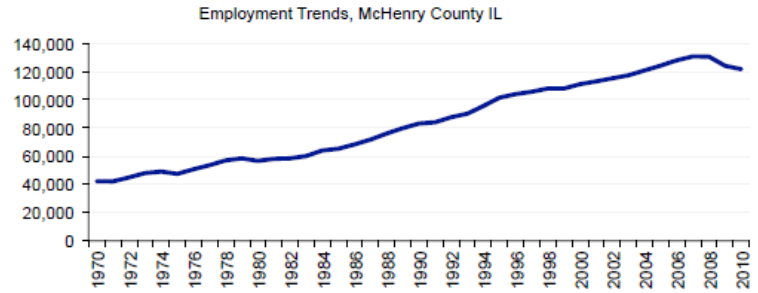
	1970	1980	1990	2000	2010	Change 2000-2010
Population	111,683	148,132	185,409	261,084	309,229	48,145
Employment (full and part-time jobs)	42,260	56,674	83,188	110,994	121,619	10,625
Personal Income (thousands of 2011$s)	3,019,182	4,642,784	7,019,641	11,612,331	12,566,629	954,298

Population and personal income are reported by place of residence, and employment by *place of work* on this page.

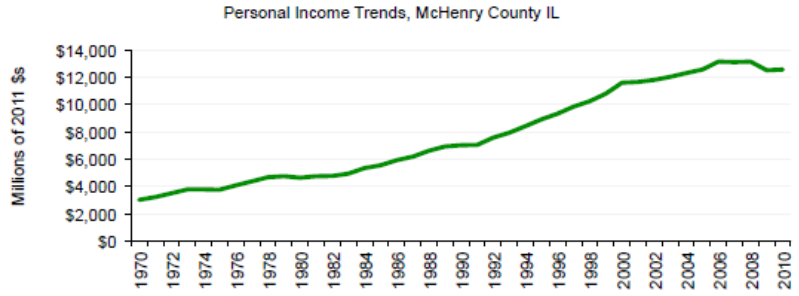
- From 1970 to 2010, population grew from 111,683 to 309,229 people, a 177% increase.



- From 1970 to 2010, employment grew from 42,260 to 121,619 jobs, a 188% increase.



- From 1970 to 2010, personal income grew from $3,019.2 million to $12,566.6 million (in real terms), a 316% increase.



Data Sources: U.S. Department of Commerce. 2011. Bureau of Economic Analysis, Regional Economic Information System, Washington, D.C. Table CA30.

Commodity Crop Production in McHenry County

Local food production and sale in McHenry County has great economic potential. However, this is not to suggest that all existing acres used for commodity crops in McHenry County should be taken out of production and converted to fruit and vegetable farming; Illinois' soils and climate make the state a prime location for corn and soybean production. Rather it suggests that vacant

suitable plots of land should be considered for fruit and vegetable farming in the future. McHenry County farmers produce nearly one billion total pounds of food per year in the form of commodity grains, beef, hay, and milk. The geographical conditions of the County, namely prime soils, make the County highly competitive in producing commodity foods. This is an important part of the local economy and farmers are paid for this food. However, because commodity crops are distributed through different market channels other than by direct- to-consumer marketing, they do not receive commensurate pay for their crops relative to selling specialty food crops that are typically sold for retail market value. But by comparison, local farmers who also or instead grow specialty crops do so at a much smaller scale. This is attributed to various reasons that are identified in this assessment, but mainly due to the short growing season. If this growing season could be extended, such as by installing seasonal extension facilities, this would help McHenry County local food producers prosper because the potential to tap into growing local food demand is significant

County Summary Highlights: 2007

Item	**McHenry**	**Cook**	**Kane**	**Lake**
All farms in County……..number	1,035	184	759	396
Land in farms……..acres	215,584	8,198	192,372	34,525
Farms by size				
1 to 9 acres	304	91	221	162
10-49 acres	369	64	235	145
Market value of agricultural products sold……$1,000	156,524	15,270	198,108	30,824
Average per farm……..dollars	151,231	82,988	261,011	77,839
Farms by value of sales:				
Less than $2,500	421	90	308	194
$2,500 - $4,999	93	6	26	36

$5,000-$9,999	72	24	54	28
Sselected crops harvested:				
Corn for grain……..farms	298	14	285	49
Corn for grain……..acres	121,403	1,445	114,809	10,161
Vegetables harvested for sale…….farms	56	32	28	25
Vegetables harvested for sale…….acres	1,896	679	1,180	390
Potatoes…… farms	17	3	6	6
Potatoes……..acres	50	NA	16	3
Sweet potatoes……..farms	-	-	-	-
Sweet potatoes……..acres	-	-	-	-
Land in orchards……..farms	23	11	16	20
Land in orchards……..acres	171	19	72	74

Source: USDA, National Agricultural Statistics Service 2007 Census of Agriculture—County Data

Market Value of Agricultural Products Sold Including Direct Sales: 2007-2002

Item	**McHenry**	**Cook**	**Kane**	**Lake**
total sales……farms, 2007	1,035	184	759	396
……..2002	870	211	619	337
……..$1,000, 2007	156,524	15,270	198,108	30,824
……2002	91,616	21,283	116,055	28,259
2007 value of sales:				
less than $1,000……..farms	343	71	235	150
$250,000 - $499,999	63	7	59	12

$500,000 – more	83	8	83	14
2002 value of sales:				
less than $1,000 ……farms	168	72	100	98
$250,000 - $499,999	53	9	61	8
$500,000 – more	40	8	47	13

Source: USDA, National Agricultural Statistics Service 2007 Census of Agriculture—County Data

Market Value of Agricultural Products Sold Including Direct Sales: 2007-2002

Item	**McHenry**	**Cook**	**Kane**	**Lake**
total sales – *value of sales by commodity or commodity group-*				
vegetables, melons, potatoes, and sweet potatoes……..farms, 2007	58	33	28	27
……$1,000 – 2007	4,397	3,244	3,194	1,434
fruits, tree nuts, and berries…farms, 2007	16	13	9	12
……$1,000 – 2007	814	NA	NA	178
nursery, greenhouse, floriculture, and sod…….farms, 2007	102	41	73	63
……..$1,000 – 2007	31,235	9,647	80,475	NA
other crops and hay……..farms, 2007	249	15	166	89
…….$1,000 – 2007	2,536	187	1,841	NA
poultry and eggs…farms, 2007	65	8	50	35
… … … … … … … … $1,000 – 2007	NA	7	647	49
cattle and calves…farms, 2007	153	5	61	18

… … … … … … … … … $1,000 – 2007	11,570	8	9,168	367
milk and other dairy products from cows…farms, 2007	57	2	14	2
… … … … … … … … … $1,000 – 2007	10,551	NA	3,626	NA
hogs and pigs…farms, 2007	44	1	18	13
… … … … … … … … … $1,000 – 2007	5,018	NA	7,900	17
value of agricultural products sold directly to individuals for human consumption……farms, 2007	78	25	51	46
…….2002	80	21	39	36
……..$1,000- 2007	2,644	(D)	1,434	924
……2002	770	246	2,139	621

Source: USDA, National Agricultural Statistics Service 2007 Census of Agriculture—County Data

VI. Education

Illinois has a long-history as an agricultural innovator. In the 19th century, Illinois introduced new agricultural inventions, such as the round barn, steel plows, and conservation best practices like using hedge rows as wind breaks and soil erosion control measures. Illinois academics and politicians also led the way in creating the land-grant agricultural college system, which was enacted by President Abraham Lincoln in 1862. Illinois is following this tradition with new types of sustainable farming practices such as local food production through vertical farming and backyard apiculture. Today education and research are a critical component of supporting sustainable local food production practices at the local, regional and state level.

McHenry County has various educational institutions and programs that are actively engaged in the local food movement and have adjusted their curriculums to better meet educational needs for sustainable local food production and culinary arts. The University of Illinois Extension Program, McHenry County College (MCC), and Loyal University's Retreat and Ecology Campus (LUREC) play important roles in providing the educational programming to train beginner farmers, gardeners, and culinary students. There is also programming at the high school level such as at Woodstock North High School to engage students in food production through their school garden. Moreover, there are various partnerships among schools and community groups to support the local food movement. One that is most notable is the Illinois Green Economy Network (IGEN) that has been successful in funding and developing local food programs at community colleges. These educational institutions and programs are the key to providing adequate training to beginning and future farmers and chefs that can help promote a sustainable local food system and economy in McHenry County.

University of Illinois Extension Program

The University of Illinois Extension ("Extension") is an educational outreach program based in the College of Agricultural, Consumer and Environmental Sciences (ACES) at the University of Illinois at Urbana-Champaign. The Extension program serves residents in all 102 counties of Illinois and is focused on five broad areas: healthy society; food security and safety; environmental stewardship; sustainable and profitable food production and marketing systems; and enhancing youth, family and community well-being. More than 2.5 million Illinois residents take part in Extension programs each year. Programming is offered through hands-on workshops, field days, self-paced tutorials online, or in other formats appropriate for the audience and subject-matter.

There are 27 Extension units throughout the state. McHenry County is served by the Lake and McHenry Counties office located on McConnell Road in Woodstock. Their website is a useful

starting point for beginning local farmers and gardeners. An entire section of their website is dedicated to horticulture and another to local food systems and small farms.[90] Extension provides a comprehensive list of resources, including, but not limited to, instructional guides for on-farm food processing, a list of organizations that support small farming initiatives, and information for small farm composting management.

Home-Scale and Community Gardens in McHenry County

Beyond online resources, a team of volunteers, trained through Extension's Master Gardener Program, assist with information requests related to home gardening and horticulture issues. Additionally, McHenry County Master Gardeners have helped develop demonstration gardens and community gardens. This is a valuable resource for McHenry County residents who wish to grow their own fruits and vegetables, but are unsure of the proper steps and technique.

Community gardens are also used as learning landscapes for people who are interested in learning to grow fruits and vegetables. Extension staff and Master Gardeners have assisted with multiple community garden initiatives throughout McHenry County. Master Gardeners from Extension installed a community garden in the City of Harvard, where volunteers plant and harvest produce for the local food pantry. At the County's Extension Office, a demonstration raised bed garden is maintained by several community groups, including 4-H and Rotary. The produce from this garden is harvested for the local food pantry and Walden Oaks, a low income housing complex in Woodstock. Extension was also involved in the initial planning of the school garden at Woodstock North High School and will serve as the community organizer for a garden that will support the Algonquin food pantry. The food pantry recently acquired some agricultural land and orchards and is hoping to involve various community groups to manage the garden, which will supply fresh produce for food pantry visitors. It is evident that new gardening plots are in demand. Many residents call the Extension office looking for plots of land to rent and people who might be interested in leasing land.

In addition, there is also a need for cooking and nutritional education classes. Extension offers food and nutrition classes through the SNAP-Ed program available to low income individuals. Further, the University recently dropped the Master Food Preservers program that offered applied training of proper preservation practices. Although this is a loss, Extension is shifting its resources in order to serve demand.

Due to increased demand for local food education, the joint Lake County and McHenry County Extension office is expecting to hire a Local Food Educator in January 2013. Beginning farmers

[90] The University of Illinois Extension serving McHenry and Lake Counties has a website that can be accessed here for further information: http://web.extension.illinois.edu/lm/

frequently ask Extension for help in beginning their specialty farming business, indicating a need for grower training and education in local food production. Through the creation of this new position, Extension can advise McHenry County beginner local food farmers and increase awareness of the benefits of locally grown food to County residents. Overall, the demand for services from Extension illustrates the increasing level of interest in growing food and reflects the growth of the local food movement in McHenry County. Extension is playing an important role in supporting the local food system.

Growing a New Generation of Illinois Fruit and Vegetable Farmers

Though not specific to McHenry County, University of Illinois Extension will launch a new educational program in December 2012 for aspiring farmers. Titled the "Growing a New Generation of Illinois Fruit and Vegetable Famers," this hands-on, year-long program will meet once a month to provide education to beginning fruit and vegetable growers. Topics covered will include business planning, soil testing, irrigation, cover crops and tillage, integrated pest management, harvest practices, pesticide application, and much more. Classes will meet every Saturday from 9 a.m. to 4 p.m. at three locations throughout Illinois: Champaign (central IL), St. Charles (northern IL), and Dixon Springs (southern IL). The program is a 3-year project funded by the USDA, and registration is free. These classes present an excellent opportunity for McHenry County residents and other beginning specialty growers throughout the state, to receive hands-on training for the development of their fruit and vegetable farms.

McHenry County College (MCC) & Slainte Restaurant

McHenry County College (MCC) is located in Crystal Lake and offers degree programs for full time students as well as certificate programs for local residents who are interested in horticulture. MCC offers an AAS degree in Horticulture, which prepares students for the horticulture industry with specialties in *floral design, greenhouse,* and *landscaping.* Students can receive on-the-job training through the horticulture internship elective.

The Task Force conducted an interview with MCC's sustainability and education administrators to learn more about the school's interest in creating a local food program in their curriculum. It was conveyed that the college is currently exploring these opportunities. In the spring of 2013, the horticulture department will offer a special topics course on fruit and vegetable production, and beginning next fall it will be permanent course addition. The class' emphasis is on growing fruit and vegetable crops in northern Illinois; topics include planning, planting, cultural practices, pest control, handling harvested material, and some marketing. The business aspects of fruit and vegetable production are not covered in depth. There is no prerequisite for the course, and therefore it is open to all horticulture as well as non-horticulture students.

In addition to this course offering, MCC currently partners with the Angelic Organics Learning Center, a 501 (c) (3) nonprofit educational organization that provides farmer training at the Angelic Organics farm, located in Caledonia (in Boone County, just over the border of McHenry County). Training is led by experienced farmers from the Collaborative Regional Alliance for Farmer Training (CRAFT) and students learn about hands-on local food farming as well as business planning. However, because this is an external program, students do not receive credit toward their degrees or certificates, which is a deterrent to enrollment. MCC is also in the beginning stages of planning additional educational programming for vegetable production using land on campus. The emphasis will most likely be on growing crops hydroponically and in raised beds. This production will also likely have a link to MCC's culinary program.

MCC has a culinary management program that offers an **Associate of Applied Science degree** and two certificate programs in Culinary Management. The program is led by Chef Thomas Kaltenecker and his team of instructors who train and prepare students with the culinary and hospitality skills they need for positions in the food service industry. As a complement to standard coursework, students have an opportunity to work in Slàinte, the student-run restaurant. Chef Kaltenecker is knowledgeable and engaged in the local food movement in the County and purchases local food, including meat, vegetables and fruit, to the extent that it is available to offer fresh and more nutritional food to customers and give students the opportunity to know where the food comes from. The seasonal menu reflects the local food that the restaurant sources. In addition, this program utilizes the community garden at Woodstock North High School to source produce, and students also use the culinary facilities located there.

Loyola University Retreat and Ecology Campus (LUREC)

Loyola University Chicago's Retreat and Ecology Campus (LUREC) is located in rural Woodstock, offers a setting for interactive team building activities, such as retreats, workshops, classes, and special events while allowing individuals to connect through nature. LUREC supports sustainable agricultural education and training through its workshops. During the summer of 2012, it offered sustainable agricultural courses for credit. LUREC also has a culinary program that is led by Executive Chef Scott Commings. Chef Commings sources food locally as much as possible (25%- 50% of the total food purchased). Local food products include meat, fruits, vegetables, honeys, herbs and spices. Chef Commings explained why he purchases local food; "Purchasing local food is an important way to educate the public as to why we need to support local farmers. The public needs to understand why a chicken entree on a 'local menu' may cost $30. It is a hard sell when you can buy a whole chicken for less than $5 at your local grocer."

Partnership between McHenry County educational institutions

The most recent education initiative to support sustainable urban agricultural education is through a collaborative partnership between McHenry County institutions. Loyola University Chicago is collaborating with McHenry County College and the Chicago Botanic Garden's City Colleges of Chicago Windy City Harvest program, and will recruit additional two- and four- year colleges and urban local farmers. The project team's goal is to create undergraduate curricula that are scientifically rigorous and employ a multidisciplinary approach to tackling the challenges of food access and climate change in an urban food system. The project team is bringing together faculty, students and administrators from colleges in the Chicago region to identify instructional needs to address the field of sustainable urban agriculture and create innovative courses to meet these needs. The project team will bring together stakeholders to convene two one-day workshops, form subcommittees to develop a competitive LCI grant application for submission in March 2014 and create a curricular framework for new Sustainable Urban Agriculture courses. The projected outcomes include development of a sustainable agriculture curriculum that provides an integrated program among partner schools and Loyola University's Environmental Science degree track in Sustainable Urban Agriculture. This collaboration anticipates having shared facilities, courses, faculty expertise and research and training opportunities.

Illinois Green Economy Network (IGEN)

The Illinois Green Economy Network (IGEN) is a collaborative partnership of all thirty-nine Illinois community college districts on forty-eight campuses and local businesses and communities to create a robust green economy by providing educational training opportunities to community college students. IGEN, which was launched in 2008, receives funding support from federal and state funding programs, including the Illinois Governor's Office, Illinois DCEO, and the U.S. Departments of Education and Energy. In September 2011, The College of Lake County and sixteen partnering Illinois community college members of IGEN were awarded funding through a U.S. Department of Labor grant to allow these colleges to develop or enhance training programs focused on priority areas, including agriculture, food and natural resources. Over the past year, IGEN has leveraged this funding support to initiate various local food programs. For instance, the College of Lake County launched a local food curriculum in the fall of 2012. McHenry County College is also exploring the possibility of developing local food curriculums. Additionally, MCC has developed a sustainability strategic plan thanks to funding support from this grant.

National FFA Organization

National FFA Organization, formerly known as Future Farmers of America (FFA), is a national organization with more than 7,000 chapters throughout the United States, including three local chapters in McHenry County: the Harvard High School chapter, the Marengo High School chapter, and the Huntley High School chapter. National FFA's mission is "to make a positive difference in the lives of students by developing their potential for premier leadership, personal growth and career success through agricultural education." Though each chapter's program of activities varies, examples of chapter activities include leadership workshops, guest speakers, and career development events. National FFA also offers grants for experiential learning initiatives and scholarships to members. One unique grant program offered through National FFA, the Supervised Agricultural Experience (SAE) grant, allows members to receive grant funding for a learning-based project that will supplement their career goals. One of the SAE career pathways includes specialty crop production, providing an excellent opportunity for National FFA members of McHenry County to receive funding for an experiential learning project involving specialty crops. This is yet another avenue for young people interested in fruit and vegetable farming to learn about proper farming practices.

Duke's Alehouse & Kitchen: Children's Programming

Duke's Alehouse & Kitchen of Crystal Lake recently began a free, educational workshop for children titled "Fruits & Veggies to the Rescue!" The program taps into kids' imaginations and love of superheroes to inspire them to love and eat fruits and vegetables. Children ages 4-8 engage in fun and interactive activities that explore new fruits and vegetables that are locally sourced. Some lessons enable children to plant their own vegetables in pots to bring home. These classes are an excellent avenue for young children to begin to learn about growing fruits and vegetables and enjoy fresh, local food.

Education and Entrepreneurial Local Food Opportunities

Overall, McHenry County has a wealth of educational institutions and program that will support the demand and training needs of future and beginning specialty growers and culinary professionals in the community. Education is a critical component to a viable local food system, and it is important that the local institutions are responding to this need by hiring staff and shifting curricula to support this focus on local food farming and culinary coursework. This educational investment will lead to new opportunities for local food cultivation and entrepreneurship and will also result in a greater local food supply of fresh whole fruits and vegetables and prepared foods. Moreover, this investment is aligned with the goals of this food assessment, including matching local food supply with demand.

VII. Emerging Trends

The 2008 Farm Bill and Local Food

The federal Farm Bill is the single greatest influence over U.S. agricultural policy and the structure of our food system. It is a comprehensive piece of legislation authorized every five to seven years, setting policies to regulate a wide range of food and agricultural issues, including, but not limited to, food safety, federal nutrition assistance, commodity programs, rural development, conservation, agricultural research, crop insurance, and specialty crop production. Given its political significance, the Farm Bill has great potential to influence the viability and success of local food systems. Though local food-related programs have been supported by previous Farm Bills, most of these programs received no mandatory funding. With the most recent Farm Bill, also known as the Food Conservation and Energy Act of 2008, legislators showed landmark support for the local food movement by mandating funding for several agricultural programs that have greatly supported the growth of local food systems around the country. These programs include, but are not limited to, the Farmers Market Promotion Program (FMPP), the Beginning Farmers and Ranchers Development Program (BFRDP), the Specialty Crop Block Grant Program (SCBGP), the Value Added Producer Grant program (VAPG), and Local and Regional Food Enterprise Guaranteed Loans.

The Farmers Market Promotion Program supports direct producer-to-consumer marketing efforts promoting farmers' markets, Community Supported Agriculture (CSA), roadside farm stands, and other local food-related business ventures. Though this program existed previously, the 2008 Farm Bill expanded the scope of the program and also mandated funding for the first time.[91] Marketing proposals are funded through a competitive grant application process and the program has proved very popular. During the last grant cycle, 509 applications were submitted; however, funding constraints limited the number of grant awards to 81 recipients. In Illinois, FMPP grants have also helped to improve food access and alleviate [nutritional] disparity issues by funding infrastructure and outreach efforts to support the use of benefits from the Supplemental Nutrition Assistance Program (SNAP) and Electronic Benefit Transfer (EBT) at farmers markets. The 2008 Farm Bill allocated $5 million in mandatory funding for 2009 and 2010, and $10 million in mandatory funding for 2011 and 2012 for FMPP.[92]

[91] National Sustainable Agriculture Coalition. (n.d.). Farmers' Market Promotion Program. Accessed from http://sustainableagriculture.net/publications/grassrootsguide/local-food-systems-rural-development/farmers-market-promotion-program/.

[92] Illinois Stewardship Alliance. (n.d.). Growing Local Food Systems & Sustaining the Land: The 2012 Farm Bill. Accessed from http://sfc.smallfarmcentral.com/ dynamic_content/uploadfiles/101/ The%202012%20Farm%20Bill_brochure.pdf

The Beginning Farmers and Ranchers Development Program provides grant funding to academic institutions, state extension services, federal and state agencies, producer groups, community organizations, and other organizations to support training mentoring, and apprenticeship programs targeted at helping beginning farmers and ranchers. BFRDP also supports "land link" programs, which connect retiring farmers with new farmers.[93] Though this program was first authorized in the 2002 Farm Bill, it received no mandatory funding until 2008.[94] The 2008 Farm bill allocated $18 million in funding for 2009 and $19 million per year for 2010-2012.[95]

The Specialty Crop Block Grant Program provides grants to state departments of agriculture to be utilized to increase the economic competitiveness of specialty crops, such as fruits, vegetables, tree nuts, and nursery crops. States use the funds to make grants available to growers of specialty crops or to supplement state programs that support the economic viability of specialty growers. While previously this program relied on discretionary appropriations for funding, the 2008 Farm Bill allocated $55 million in mandatory funding in 2010 and 2011 for specialty crop grants. In Illinois, it has been very popular and effective in promoting and fiscally supporting local food systems.[96]

The Value Added Producer Grant Program provides grant funds to create and/or develop producer-owned businesses. The program was first authorized in 2000 and was expanded under the 2008 Farm Bill to include locally produced and marketed food products.[97] Funds may be used for developing business plans, feasibility studies, or to acquire working capital to operate a value-added business venture. Recipients must provide matching cash and/or in-kind funds. The 2008 Farm Bill authorized $15 million per year in mandatory funding and $40 per year in discretionary funding for the VAPG program.[98]

In addition to expanding and increasing support of previously existing programs, the 2008 Farm Bill also created a new opportunity for local and regional food enterprises to acquire loans

[93] *Id.*
[94] National Sustainable Agriculture Coalition. (n.d.). Beginning Farmer Development Program. Accessed from http://sustainableagriculture.net/publications/grassrootsguide/farming-opportunities/beginning-farmer-development-program/
[95] Illinois Stewardship Alliance. (n.d.). Growing Local Food Systems & Sustaining the Land: The 2012 Farm Bill. Accessed from http://sfc.smallfarmcentral.com/dynamic_content/uploadfiles/101/The%202012%20Farm%20Bill_brochure.pdf
[96] *Id.*
[97] National Sustainable Agriculture Coalition. (n.d.).Value-Added Producer Grants. Accessed from http://sustainableagriculture.net/publications/grassrootsguide/local-food-systems-rural-development/value-added-producer-grants/
[98] Illinois Stewardship Alliance. (n.d.). Growing Local Food Systems & Sustaining the Land: The 2012 Farm Bill. Accessed from http://sfc.smallfarmcentral.com/dynamic_content/uploadfiles/101/The%202012%20Farm%20Bill_brochure.pdf

through the Business and Industry Loan Program administered by the Rural Development branch of the United States Department of Agriculture (USDA). "The purpose of the B&I program in general is to help improve, develop, or finance businesses and employment in rural areas by bolstering the existing private credit market through federal guarantees. Loans can be used to support and establish enterprises that process, distribute, aggregate, store, and market foods produced either in-state or transported less than 400 miles from the origin of the product. Individuals, cooperatives, cooperative organizations, businesses, and other entities are eligible for these loan guarantees."[99] This loan program supports the economic potential of local food businesses based on its eligibility criteria that focuses on in-state or local distribution of food products.

As one can see, the 2008 Farm Bill has greatly supported the growth and development and local food systems around the country, yet leaves room for improvement. Currently, a relatively small fraction of the Farm Bill budget is allocated towards these programs, with many left stranded after the 2008 Farm Bill was extended, while vast amounts of funds are used to subsidize conventional growth of commodity crops not intended for local, human consumption. Through an increase in mandatory funds to existing programs as well as the creation of new programs, the U.S. Farm Bill could be crafted to support the production of fresh, local, healthy food.

Farm Bill Programs

Farmers Market Promotion Program (FMPP)	Supports direct producer-to-consumer marketing efforts promoting farmers' markets, CSA's, roadside stands, and other local food-related business ventures.
Beginning Farmers and Ranchers Development Program (BFRDP)	Provides grant funding to academic institutions, state extension services, federal and state agencies, producer groups, and other organizations to support training and apprenticeship programs for beginning farmers and ranchers.
Specialty Crop Block Grant Program (SCBGP)	Provides grants to state departments of agriculture to be utilized to increase the economic competitiveness of specialty crops.
Value Added Producer Grant Program (VAPG)	Provides grant funds to create and/or develop producer-owned businesses.
Business and Industry Loan Program	Provides loans that can be used to support and establish enterprises that process, distribute, aggregate, store, and market foods produced either in-state or transported less than 400 miles from the origin of the product.

[99] National Sustainable Agriculture Coalition. (n.d.). Local and Regional Food Enterprise Guaranteed Loans. Accessed from http://sustainableagriculture.net/publications/grassrootsguide/local-food-systems-rural-development/local-food-enterprise-loans/

The 2013 Farm Bill

The 2008 Farm Bill expired on September 30, 2012. Due to opposition from the House GOP leadership, Congress failed to reauthorize a new Farm Bill in 2012, and instead passed a simple extension of the 2008 Farm Bill through September 30, 2013. The extension was passed as part of a bigger legislative package to avoid the "fiscal cliff" and was signed into law on January 2nd, 2013.

Fortunately, the two largest Farm Bill programs, the Supplemental Nutrition Assistance Program and federal crop insurance, will continue to receive funding through this transitory period. However, the programs that offer the most support to specialty growers and local food systems were left stranded without funding. This means that the United States Department of Agriculture cannot move forward with supporting these programs through September 2013. These programs include:

- Beginning Farmer and Rancher Development Program
- Value-Added Producer Grant Program
- Rural Microentrepreneur Assistance Program
- Rural Energy for America Program
- Organic Agriculture Research & Extension Initiative
- National Organic Certification Cost Share Program
- Organic Production & Market Data Initiatives
- Farmers Market Promotion Program
- Outreach & Assistance for Socially Disadvantaged Farmers & Ranchers
- Conservation Reserve – Transition Incentive Program

Congress' inaction on the 2012 Farm Bill is a huge setback to the local food movement. Given these circumstances, the future of the 2013 Farm Bill is largely unpredictable. But In May 2013, the Senate and House will start the process of drafting a new, full five-year farm bill from scratch. Although they cannot use the bills that were drafted by the Senate and separately the House Committee in 2012, these can serve as references.

Other sustainable-related agricultural legislation that has been introduced in 2013 at the federal level, includes the Local Farms, Food, and Jobs Act of 2013 (S. 679 and H.R. 1414) and the Growing Opportunities for Agriculture and Responding to Markets (GO FARM) Act of 2013 (S.678).

The Local Farms, Food and Jobs Act of 2013 was introduced on April 9th, 2013, by Senator Sherrod Brown of Ohio and Representative Chellie Pingree of Maine. This legislation that is designed to remove barriers to local farms and food production was previously introduced in

2011 and portions of the legislation were incorporated into draft bills from the Senate and House last year. The legislation addresses seven different titles of the Farm Bill. These include "proposals that address crop insurance, credit, nutrition, rural development, research and extension, horticulture, and livestock. The bill addresses food production, aggregation, processing, marketing, and distribution and aims to reduce barriers that limit growth in local and regional farm and food markets." [100]

The Growing Opportunities for Agriculture and Responding to Markets (GO FARM) Act of 2013 (S.678 that was re-introduced in April 2013 by Senator Robert P. Casey, Jr. (D-PA) with Senator Tom Harkin (D-IA) as a co-sponsor. The Act was first introduced in 2011 by Senators Casey and Harkin with the goal of including it in a 2012 Farm Bill. GO Farm is an innovative legislative initiative that aims to establish a loan fund program that would be administered by the USDA in partnership with intermediary community lenders to make small, low-interest loans to food producers who grow crops for local markets like schools and farm-to-consumer markets. "Using third party lending entities allows a closer connection to the farmers who are applying for these loans, as well as better and more personalized support services for each farmer." [101]

Many local food related programs are currently stranded, and it is difficult to make predictions concerning future funding for these programs. Congress is accountable for moving these efforts forward to establish a new Farm Bill in 2013, and time will tell what that ultimately looks like.

State Policy

Not only has there been an increase in support for local food systems through federal legislation in the past decade, but also in state-level policy. At a nationwide level, the number of state legislative bills focusing on local food has steadily increased over the past few years. In Illinois, some important, recent local-food related legislation and programs include the Local Food Farms and Jobs Act of 2007, the Cottage Food Law, the Farm-to-School Database, and the Farmers' Market Technology Improvement Act.

Illinois Local Food Farms and Jobs Act

The Illinois Local Food Farms and Jobs Act seeks to "create, strengthen, and expand local farm and food economies throughout Illinois." First and foremost, this act established the goal that will fulfill the contract through the use of local farm or food products may be given preference over other bidders, provided that the cost included in the bid of local farm or food products is

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100 National Sustainable Agriculture Coalition. (28 Sept. 2012). Path to the 2012 Farm Bill: Farm Bill Expires on Monday –What Does It Mean and What Happens Now? Accessed from http://sustainableagriculture.net/bolg/faq-on-farm-bill-expiration/

101 *Id.*

community and non-profit organizations. The purpose of the council is to facilitate the growth of Illinois' local food economy by working to eliminate legal barriers inhibiting the production and sale of local food products, initiating public awareness campaigns about the benefits of local food, developing an "Illinois Product" certification and label program, facilitating the use of public lands for local food production, and by monitoring the development and expansion of the local food economy through data collection and analysis. Overall, the Illinois Local Food Farms and Jobs Act is a promising piece of legislation that will facilitate the growth of Illinois' local food economy.[102]

Cottage Food Law

The Cottage Food Law took effect in January 2012 and created a new opportunity for local food producers and consumers by changing Illinois' food safety laws to allow the sale of homemade non-potentially hazardous baked goods, jams and jellies, fruit butter, dried herbs, and dried tea blends to be sold at farmers markets. Producers of cottage food must be registered with their local health department and have a valid Illinois Food Service Sanitation Manager Certificate. Furthermore, sale of such items must not exceed $25,000 annually. With the passage of the Cottage Food Law, the market for locally produced food was greatly expanded, as sale of value-added products at farmer's markets were previously subject to strict, often cost prohibitive, regulation. However, the law does provide individual farmers' market managers with the freedom to decide whether or not to allow cottage food vendors at their markets.

Illinois Farmers' Market Task Force

In August 2011, Illinois Governor Quinn signed Public Act 97-0384 into law, thereby creating the Illinois Farmers' Market Task Force. The task force was created to work with regulatory entities in order to create less confusing, less burdensome, and more streamlined policies for farmers' markets throughout the state. Its goal is to "to help minimize and standardize regulations governing farmers markets statewide without compromising public health."[103] The creation of the Farmers' Market Task Force was a vital step towards a successful local food economy in Illinois, as inconsistencies in regulations are often cited by farmers as a barrier to selling their products.

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[102] Illinois General Assembly. Full-text of Public Act 096-0579.

[103] Illinois Farmers' Market Association

Other Illinois Legislation

Numerous additional pieces of local food-related legislation remain active in the Illinois General Assembly, ranging from issues addressing the small business requirements for pasteurization of milk to sale of locally produced wine at farmers markets. It is likely the number of local food-related bills introduced to the Illinois General Assembly will continue to rise in the coming years.

Local and Regional Planning

Policymakers and advocates have played a key role in promoting the local food movement through legislative measures at the federal and state level; planners have also played an important role supporting the growth and sustainability of local food systems at the local and regional level. In the last decade, numerous counties and municipalities throughout the country have incorporated local food production in their comprehensive plans and amended local ordinances in order to support local food systems. In northeastern Illinois, the Chicago Metropolitan Agency for Planning (CMAP) established a regional goal to promote sustainable local food systems. CMAP and its local partners have focused on facilitating regional and local food production and access as part of the implementation efforts of their GO TO 2040 plan, a comprehensive plan for sustainable growth and prosperity for municipalities throughout northern Illinois that was released in 2010. The Plan's approach calls for strengthening the food system by facilitating sustainable local food production and processing, increasing access to safe, fresh, nutritious and affordable food, and creating awareness of the benefits of a strong local food system.

Another emerging trend is the incorporation of local food planning into broader-scale health policy. For example, Kane County's Fit For Kids 2020 Plan, a strategic plan aimed at reducing childhood obesity, incorporates the promotion of local food production and community gardens into their broader plans for increasing children's access to healthy food. Numerous other local governments around the country have also recently recognized the link between local food and public health, and have begun to shape policy and strategic planning accordingly.

Emerging Trends: Local Food Infrastructure and Access

Food Hubs

An integral component of a successful local food system is supporting infrastructure for processing and distribution. One of the primary barriers small, diversified farmers face in selling their products to wholesale distributors or large institutions, such as universities, is that an individual farmer cannot supply enough food products to meet such a large demand. Larger

buyers often are not willing to buy products from several different farmers due to inefficiency and quality control concerns and prefer to purchase from a single distributor. However, the recent growth of food hubs, or local aggregation centers, has helped address this market barrier. Food hubs aggregate produce from numerous local growers, serving as a large source of fresh, local produce for high demand entities. Wholesale businesses, restaurants, and public institutions such as schools can then purchase their desired quantity from the food hub. The number of food hubs in the U.S. is growing, and there are already more than 170 across the country, including eight* in Illinois.[104] The bourgeoning trend of food hubs will surely support the growth of local food economies in Illinois and around the country.

The Low-Income Population and Access to Local Food

Although the accessibility of local food needs to be improved for much of the population, the demographic that suffers the biggest obstacles in obtaining local food are low-income individuals. Some of the main factors which prevent low-income individuals from obtaining locally grown food include financial restrictions (local, fresh produce is more expensive than processed foods and provides less calories per dollar), lack of knowledge and education (low-income individuals may not be aware of the health benefits of eating fresh produce, or do not know how to prepare it), and transportation (low-income individuals may not be able to easily travel to a farmers' market, or choose not to go because it would require additional gas money).[105] Furthermore, even though some wholesale grocery stores offer locally grown produce at competitive prices, low-income individuals may live in a "food desert" and therefore have only convenience stores and fast-food restaurants instead of a grocery store in the immediate vicinity.

Though significant policy and infrastructure improvements are needed to drastically change the accessibility of local food, there have been recent developments that have greatly increased the low income population's access to fresh, local food. As mentioned previously, Farm Bill programs have helped provide EBT machines at hundreds of farmers' market throughout the country, enabling SNAP recipients to more easily purchase local food. The forthcoming new

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* As identified by the USDA's Agricultural Marketing Service, the eight food hubs are: Fresh Moves Mobile Produce Market (Chicago); Good Earth Food Alliance CSA (Farmington); Goodness Greenness (Chicago); Gourmet Gorilla, Inc. (Chicago); Health Food Hub (Chicago); Irv & Shelly's Fresh Picks (Niles); Stewards of the Land (Fairbury); Local Growers' Network (Galesburg)

[104] Merrigan, Kathleen. (25 Apr. 2012). Introducing the Regional Food Hub Guide: An Innovative Tool for Growing Local Food Systems. Accessed from http://blogs.usda.gov/2012/04/25/introducing-the-regional-food-hub-guide-an-innovative-tool-for-growing-local-food-systems/

[105] Sustainable Table. (n.d.). Top Ten Barriers to Local Food Access for Low-Income Individuals. Accessed from http://www.sustainabletable.org/features/articles/topten/

Farm Bill may authorize the Secretary of Agriculture to develop a plan for allowing SNAP costumers to participate in CSA programs. This will perhaps circumvent the transportation obstacle that many low-income individuals face, for CSA drop off points could be located in a frequented, central location of a low-income community, such as a school, allowing the produce to be delivered directly to the individuals. The Farm Bill-funded incentives for SNAP users to purchase local food will also increase access for low-income individuals by lessening the financial burden of often expensive local produce.

In Illinois, further policy efforts have been made to increase access to local food. In 2010, Governor Quinn authorized the Farmers Market Technology Improvement Act, which established a Farmers Market Technology Improvement Fund in the state treasury to be used for purchase of sale terminals capable of processing SNAP benefits and for monthly transaction fees associated with LINK card transactions.[106] This will increase the number of farmers' markets who accept SNAP benefits, improving the low-income population's access to local food. Governor Quinn also helped establish the Farm-to-School database in 2010, which established an electronic database to allow schools and local farmers to connect on the sale and purchase of fresh produce. Incorporating local food into school lunches is an excellent avenue for increasing low-income children's consumption of fresh, local produce. This trend of schools purchasing local produce can also be seen in other states around the country.

Two other vehicles for increasing low-income individuals' access to local food are community gardens and food pantries. Through the efforts of individuals and organizations in low-income communities, community gardens have begun to spring up across the country in low-income neighborhoods. Not only can gardens serve as a source of produce, but also a place for community bonding and a chance for the expansion of social capital. Furthermore, many community gardens that are *not* in low-income neighborhoods have begun to donate produce to local food pantries, benefiting low-income residents. In addition to community gardens, food pantries have also seen a recent influx in fresh produce from local farmers and farmers' markets. For instance, if a farmer does not sell all of his or her product at the market, extra produce can be donated instead of letting it go to waste. There are also web-based platforms that facilitate the donation of local produce to food pantries. AmpleHarvest.org connects gardeners with extra produce to local food pantries to prevent excess from rotting and going to waste. Currently, 5,444 food pantries nationwide are registered in this database.

[106] Rand, David. (14 Apr. 2010). The Illinois Farmers Market Technology Improvement Program Act. Accessed from http://farmersmarketcoalition.org/fmtipa (FN106)

Emerging Trends: Local Food Funding

Aside from grant funding through Farm Bill programs and other federal agencies, there has been an increase in available funding opportunities from private foundations and public institutions for efforts that facilitate or promote the production and distribution of locally grown foods. Below is a list of both national and local grant programs that may be utilized in Illinois:

Whole Foods Market Local Producer Loan Program: As part of a company-wide initiative supporting local agricultural producers and food artisans, Whole Foods Market plans to provide up to $10 million annually in low-interest loans to small producers in the U.S. The program has attributes geared to small producers: loan application paperwork is minimized; there are no penalties for early repayment; and loan terms may be from a few months to ten years. The Local Producer Loan Program is part of Whole Foods Market's renewed commitment to local agriculture.

The School Garden Grant Program (Cook Country Farm Bureau): This program provides funding for existing and beginning school gardens at Cook County elementary, middle, and high schools. Five grants of up to $300 will be awarded this 2012/2013 grant cycle.

Frontera Farmer Foundation Grants: The Frontera Farmer Foundation is a non-profit organization committed to promoting small, sustainable farms serving the Chicago area by providing them with capital development grants. The Foundation will award grants for capital improvements of up to $12,000 to small and medium-size, individually owned farms that sell their food products to customers in the Chicago area at farmers markets and otherwise. Farmers must have been in business for at least two years and must demonstrate how the grant will improve both their farm's viability and the availability of locally grown food products in the Chicago area. Grant applicants will be judged on the basis of demonstrated need, long-term dedication to sustainable farming, creative and business acumen, and commitment to sustainability.

Lowe's Toolbox for Education: These grants are provided to parent groups for school improvement projects. All K-12 schools are eligible. Past projects have included school gardens. Award amounts range from $2,000 to $5,000.

W.K. Kellogg Foundation Grants: The W.K. Kellogg Foundation's Healthy Kids program seeks to fund projects that improve food systems to deliver healthier food to all children. They hope to "transform food deserts into food oases by increasing engagement of local communities in all aspects of food production and delivery." Past grant winners have included local food hubs. Grant awards range from $5,000 to $3 million.

The Whole Kids Foundation's Garden Grant: This program provides a $2,000 grant to any K-12 school to start or sustain a garden project that will engage children with fresh fruits and vegetables.

VIII. RECOMMENDATIONS

EXPAND SUPPLY

Support local food production on suitable parcels based on land characteristics.

Opportunities:

- Support local food production as a buffer to protected natural areas.
- Combine the land evaluation map with County plat maps to identify small, under-utilized parcels where specialty crops could be produced. This land could be rented or purchased by growers focused on local food production.
- Explore use of McHenry County Conservation District land currently in agricultural use as an interim use for local food production and potentially pasture land.
- Encourage aggregation of local food growers in areas that have many identified positive characteristics for local food production.
- Promote sustainable farming practices as an important way to reduce potential contamination of shallow aquifers and promote aquifer recharge in the County.

Use the land evaluation map for County zoning and land use planning purposes.

Opportunities:

- Implement land use protection measures, such as agricultural conservation easements to protect prime farmland.
- Integrate high quality conditions for local food production into criteria for agricultural protection programs.
- Identify and incentivize land protection of agricultural land with high quality features.
- Discourage incompatible land uses on land parcels with high quality soil (Land Evaluation score of 66 or higher) for food production.
- Facilitate the siting of needed infrastructure (cold storage, transportation, value-added processing centers, aggregation and packaging, commercial kitchens, and dairy processing facilities) for a local food system that is compatible with McHenry County's 2030 Comprehensive Plan.

CREATE DEMAND

Increase awareness of local food production in McHenry County to increase demand from consumers at the institutional and retail level.

Opportunities:

- Promote local restaurants that source their food from local farms.

- Advocate for increasing local food at schools and hospitals by overcoming pricing and seasonality issues.

DEVELOP EDUCATIONAL OPPORTUNITIES AND WORKFORCE

Create support structure for local food farming with educational institutions.

Opportunities:

- Support the Local Food Educator position at University of Illinois Extension
- Support local food curriculum development and on-campus food growing at McHenry County College
- Create school gardens in municipalities and support the creation of a Farm-to-school program in McHenry County.
- Support community and allotment gardens in municipalities

OVERCOME BARRIERS WITH POLICY

Promote agritourism and entrepreneurial opportunities for local food growers.

Opportunities:

- Support agritourism activities that support the perpetuation of agriculture and farmland protection in McHenry County.
- Create conditions that address the cost-effectiveness of agritourism (e.g., related to permit requirements).
- Support apiaries and chicken raising in non-agricultural districts.
- Create a new temporary use permit designated for farmers markets.

Promote sustainable management of organic and food waste.

Opportunities:

- Promote new small-scale composting opportunities of food scraps and other organic waste enabled by the rural on-farm and urban agriculture composting reform bills that passed the Illinois General Assembly in 2013, effectively making waste stream diversion more feasible.
- Create business opportunities for sustainable waste management (e.g., composting facilities and licensed haulers).

Clarify definitions in the Unified Development Ordinance and other policy documents that are appropriate for local food production.

Opportunities:

- Agricultural business
- Agricultural processing
- Agritourism
- Farmstands

Eliminate perceived policy barriers by providing more educational outreach, streamlining regulatory functions where appropriate, and strengthening coordination between regulatory departments as well as their communication with stakeholder groups.

Opportunities:

- Promote the efforts of the McHenry County Department of Health to facilitate kitchen sharing through a forthcoming policy. Kitchen sharing is a collaborative model to address both market demand concerns and capacity constraints by connecting local food producers and restaurant operators to share or rent commercial kitchen space.
- Support the efforts of the Department of Health to work with a regional consortium of public health department partners to promote a replicable model for kitchen sharing.
- Promote efforts to reestablish a seasonal temporary food establishment permit to reduce permit costs for operators and streamline administrative work of the Department of Health.
- Create countywide permits, where appropriate, to streamline the administrative functions of the Stormwater Management Commission.
- Support the work of the County's hired consultant to comprehensively review and revise the stormwater ordinance to help ease the regulatory burdens where possible.
- Promote cross-coordination of regulatory oversight and data systems sharing by the McHenry County Department of Planning and Development and Department of Health on overlapping issues, as well as increase stakeholder engagement with local food farmers and cottage food producers to facilitate outreach and education about navigating the regulatory structure.

Support state level regulatory initiatives that promote local food production.

Opportunities:

- Develop tiered public health regulations for food processing that are risk-based and scale appropriate.
- Support the continued role of the Department of Health in promoting awareness about cottage food registration and opportunities for cottage food distribution.

- Support legislation for tax credits for season extension structures (hoop houses).
- Encourage McHenry County's participation in the cooperative interstate shipment program to allow interstate movement of processed meat and poultry products as an economic opportunity for local food producers and processors of meat and poultry products to expand their market access and potential income.

Endnotes

[1] United States Department of Agriculture, Natural Resources Conservation Service. (1997). *Soil Survey of McHenry County, Illinois: Part I*.

[2] *Id.*

[3]US Environmental Protection Agency and Chicago Metropolitan Agency for Planning

[4]*Id.*

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[6]Ag Food and Fiber Sector Data, Dun & Bradstreet Corporation; and, Census of Agriculture Data

[7]Swenson, David. (2010). Selected Measures of the Economic Values of Increased Fruit and Vegetable Production and Consumption in the Upper Midwest. Research Department of Economics, Iowa State University, Ames: Leopold Center for Sustainable Agriculture.

[8]United States Department of Agriculture. (2009). *2007 Census of Agriculture*.

[9]*Id.*

[10]Data taken from Taskforce producer survey.

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[12]*Id*.

[13]This "average" size farm appears to be large, and may not be an accurate representation as averaging may obscure data on farm size trends due to the majority of agricultural production being on large farms. "2007 Census of Agriculture: Small Farms," U.S. Department of Agriculture (2007).

[14]In 2007, there were 18,467 more small farms counted than in 2002. The USDA defines small farms as farms with $250,000 or less in sales of agricultural commodities. "2007 Census of Agriculture: Small Farms," U.S. Department of Agriculture (2007).

[15]Key, Nigel & Roberts, Michael (2007). Measures of Trends in Farm Size Tell Differing Stories. *Amber Waves, 5*(5), 36-37 accessed from www.ers.usda.gov/data/croplandconcentration/

[16]*Id.*

[17]When asked on the producer survey what type of food they produce, 43 respondents answered vegetables, 33 respondents answered fruits, 15 respondents answered meat, 13 respondents answered honey, and 9 respondents answered dairy.

[18]When asked on the producer survey what type of facilities the producers use, 29 respondents answered outdoor facilities, 23 respondents answered indoor facilities, 18 respondents answered farmstands, 9 respondents answered you-picks, and 8 respondents answered hoop houses.

[19]Rejesus, Roderick. (n.d.) Good Agricultural Practices – GAP Certification: Is it Worth it?. North Carolina Cooperative Extension.

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[21]*Id.*

[22]United States Census Bureau. (2010). *2010 Census.*

[23]McHenry County 2030 Comprehensive Plan (2010)

[24]*Id.*

[25]*Id.*

[26]McHenry County Green Infrastructure Plan (2012)

[27]Agriculture and Food Act of 1981, Public Law 97-98, containing the Farmland Protection Policy Act (FPPA) subtitle I of Title XV, Section 1539-1549. The final rules and regulations were published in the Federal Register on June 17, 1994.

[28]Soils are rated for agricultural capability and are placed into one of eight groups from Class 1 to Class 8, with Class 1 being the very best for agricultural use with few limitations.

[29]General Manual, Title 440, Part 519.32

[30]Circular 559: Geographic Mapping for Environmental Planning, McHenry County, Illinois

[31]*Id.*

[32]*Id.*

[33]The relative values of the top five groups of Land Evaluation scores are 100 to 92, 91 to 81, 80 to 74, 73 to 67, and 66 to 57.

[34]State of Illinois Department of Agriculture, Division of Natural Resources. (2011). *Agriculture Areas Annual Report 2011,* In accordance with the Agricultural Areas Conservation and Protection Act (505 ILCS 5/1 et seq.)

[35]The Land Conservancy: information provided by Lisa Haderlein

[36]See IDPH Technical Information Bulletin #40 for further specification of allowable cottage food products.

[37](See section 301.1) Sign ordinance

[38]Public Health Ordinance for McHenry County, Article IV, Food Establishments and Vending of Food and Beverages, approved by McHenry County Board on March 19, 1998, addendum June 3, 2002, addendum February 4, 2009. This document can be accessed here: http://www.co.mchenry.il.us/departments/health/pdfDocs/ENV/ArticleIV.pdf

[39]Illinois Environmental Protection Act, Public Act 096-0418, (415 ILCS 5/3.197 new) accessed from http://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=096-0418

[40]415 ILCS 5/3.330) (was 415 ILCS 5/3.32) Sec. 3.330.19 Pollution control facility accessed from http://www.ilga.gov/legislation/ilcs/documents/041500050K3.330.htm and Illinois Environmental Protection Agency, Bureau of Land, contact 217-524-3300 for further information about composting regulations.

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[43]Economic Research Service, Report Number 128 November 2011, Direct and Intermediated Marketing of Local Foods in the United States

[44] According to the Consumer Feedback Survey, only 24.7% of the respondents consider themselves knowledgeable about the local food movement.

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[57] *Id.*

[58] See Appendix for additional charts from Swenson's analysis

[59] USDA, AURI, Local Foods Market Report

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[67] United States Department of Agriculture. (2012). National School Lunch Program Fact Sheet.

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[69] Urban Spoon, September, 2012

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[72] Adam, 2006

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[74] USDA, ERS, Local Food Systems, May 2010

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Appendix

SCENARIO ONE: To expand production of 28 fruit/vegetables in six states to meet seasonal demand, direct-marketing 50 percent via producer-owned stores

	Acres needed	Farm-level sales ($ million)	Retail value: crops ($ million)	Farm-level total jobs: fruit/vegetable production	Farm-level total labor income ($ million)	Direct-market stores	Retail-level jobs	Retail-level labor income ($ million)	Farm-level total jobs: corn–SB production[1]
Illinois	69,387	263.9	988.6	2,600	120.5	420	2,887	91.1	635
Indiana	39,709	130.4	488.6	1,345	56.2	208	1,427	46.0	445
Iowa	16,215	61.4	230.0	657	26.3	98	672	17.1	131
Michigan	75,192	204.6	766.6	2,210	90.5	326	2,238	63.9	719
Minnesota	34,541	106.8	400.0	1,166	49.0	170	1,168	35.2	336
Wisconsin	34,982	115.1	431.1	1,322	52.4	183	1,259	34.2	313
Region total	**270,025**	**$882.4**	**$3,305.4**	**9,032**	**395.1**	**1,405**	**9,652**	**287.6**	**2,578**

1. Based on the number of corn–soybean acres offset by conversion to fruit/vegetable production.

Local Food Producer Inventory

Farm/Local food business	Town
All Season Apple Orchard	Woodstock
Blessed Roots Farm	Woodstock
Blue Loom	Woodstock
Brook Farm	Harvard
Brookdale Road Farm	Woodstock
Brother Jons Farm/Top O' the Hill Farm	Woodstock
Bumblebee Acres Farm	Harvard
Circle G Gourmet Grass Fed Beef	Woodstock
Cody's Farm Market	Marengo
Danny McFee Bees	Crystal Lake
Dave's Pumpkins	Huntley
Davidson's Giant Pumpkins	Harvard
Duke's Garden	Woodstock
Four Friends Farm	Harvard
Freedom Organix	Woodstock
Golden Rose Livestock	Woodstock
Grace Farm Studios	Woodstock
Green Earth Farm	Richmond
Grismer Farms	Union
Growing Together Garden	Harvard
Harms Farm and Garden Center	Crystal Lake
Harvard Eggs Feed and Produce	Harvard
Hasselmann Family Farms	Marengo
Hawthorn Farms	Marengo
Headwaters Organics	Woodstock
Homestead Orchard	Woodstock

John Bartman Farm	Marengo
John Reinert Bees	Crystal Lake
Knoll's Vegetable Farm and Apple Orchard	Woodstock
Krueger's Farm	Marengo
Lindas Organical Farm	Union
M's Organic Farm	Woodstock
Marton Farm	Marengo
May's Honey Farm	Marengo
McCann Berry Farm	Woodstock
Milly's Roots Farm	Huntley
More than Delicious Orchard	Woodstock
Natural Farm Stand	Richmond
Nichols Farm and Orchard	Marengo
Peter J. Palombi Farm	Richmond
Prairie Sky Orchard	Union
Pump House Farm	Woodstock
Pure Sunshine Poultry and Dairy	Richmond
Ready Jam Farm	Marengo
Red Barn Farm Market	Woodstock
Richardson Farm Corn Mazes	Spring Grove
Rotary Centennial Garden	Woodstock
Royal Oak Farm Orchard	Harvard
Salute! Farm & Vineyard	Woodstock
Sosinski's Produce	Woodstock
Stade's Farm and Market	McHenry
T & H Farm, Ltd.	Marengo
The Growing Scene	Marengo
The Meat Goat	McHenry
Tom's Farm Market	Huntley
Unicorn Farm	Harvard
VonBergen's Country Market	Hebron
W&M Land Corp Organic Nursery	Crystal Lake
Wagner's Produce	Union
Walkup Heritage Farm	Crystal Lake
Willow Lea Stock Farm	Woodstock
Windy Ridge Acres	Woodstock
Woodstock Country Orchard	Woodstock
Wooly Bee Farm	Woodstock

Restaurants that completed the survey and that source local food in McHenry County

Farm/Local food business	Town
Duke's Alehouse	Crystal Lake
Flatlanders	Marengo
McHenry County College Slainte Restaurant	Crystal Lake
Loyola University	Woodstock
Expressly Leslie's	Woodstock
Eugenio's	Cary
Le Petit Marche	Woodstock